

**OPPD Board of Directors – All Committees Meeting**

Tuesday, December 8, 2020

**CLOSED SESSION 8:00 A.M. – PUBLIC SESSION 10:00 A.M.**

*Public may attend by going to [www.oppd.com/CommitteeAgenda](http://www.oppd.com/CommitteeAgenda) to access the Webex meeting link and view instructions.*

<u>TOPIC</u>	<u>TYPE</u>	<u>PRESENTER</u>	<u>TIME*</u>
1. <b>Chair Opening Statement</b>		Moody	<b>8:00 A.M.</b>
2. <b>Closed Session</b>			
Enterprise Risk Management Quarterly Update	Reporting	Focht	30 min
Corporate Officers Compensation Adjustments	Reporting	Burke	45 min
<b>BREAK</b>			<b>9:30 A.M.</b>
<i>Open Webex Meeting to Allow Public to Join</i>			<b>9:45 A.M.</b>
3. <b>Public Session – Chair Opening Statement</b>		Moody	<b>10:00 A.M.</b>
4. <b>Safety Briefing</b>		Burke	<b>10:05 A.M.</b>
5. <b>Finance Committee</b>			<b>10:10 A.M.</b>
Finance Chair Report (12/1/20)	Reporting	Bogner	10 min
2021 Final Corporate Operating Plan	Action	Fernandez	20 min
Declaration of Anticipated 2021 Capital Expenditures Reimbursement	Action	Fernandez	5 min
6. <b>System Management &amp; Nuclear Oversight Committee</b>			<b>10:45 A.M.</b>
SM&NO Chair Report (12/3/20)	Reporting	Mollhoff	10 min
Railroad Easement Acquisitions 2021 – 2025	Action	Comstock	10 min
Nuclear Oversight Committee Report	Reporting	Fisher	10 min
7. <b>Public Information Committee</b>			<b>11:15 P.M.</b>
Public Information Chair Report (12/1/20)	Reporting	Yoder	5 min
Legislative and Regulatory Update – Look Ahead	Reporting	Olson	30 min
<b>BREAK FOR LUNCH</b>			<b>12:00 P.M.</b>
<b>Public Information Committee (continued)</b>			<b>12:30 P.M.</b>
SD-13: Stakeholder Outreach and Engagement Monitoring Report	Action	Olson	45 min
Customer Trends Update	Reporting	Comstock	20 min
8. <b>Governance Committee</b>			<b>1:35 P.M.</b>
Governance Chair Report (12/3/20)	Reporting	McGuire	10 min
2021 Agenda Planning Calendar	Reporting	Burke	10 min
BL-5: Unity of Control Policy Refinement	Action	Focht	5 min
Bylaws Amendment – Meeting Schedule	Action	Focht	5 min
2021 Board Meeting Schedule	Action	Focht	5 min
SD-8: Employee Relations Monitoring Report	Action	Sedky	30 min
Retirement Plan Amendments	Action	Sedky	10 min
Corporate Officers Compensation Adjustments	Action	Burke	45 min

\* Please note all times and duration are estimates. Please use the link below to find all committee and board agendas, materials and schedules. Board governance policies and contact information for the board and senior management team also can be found at [www.oppd.com/BoardMeetings](http://www.oppd.com/BoardMeetings).

	<u>TOPIC</u>	<u>TYPE</u>	<u>PRESENTER</u>	<u>TIME*</u>
	<i>BREAK</i>			<b>3:30 P.M.</b>
<b>9.</b>	<b>Other Business</b>			<b>3:35 P.M.</b>
	Confirmation of Board Meeting Agenda	Action	Moody	5 min
	Power with Purpose Update	Reporting	Fisher	30 min



## Pre-Committee Agenda

FINANCE PRE-COMMITTEE MEETING  
VIDEOCONFERENCE  
December 1, 2020 8:00 AM – 10:00 AM

1. Final 2021 Corporate Operating Plan (60 min)
  - a. Objective: Review and discuss any changes from the Preliminary to the Final versions of the 2021 Corporate Operating Plan (COP) ahead of the public presentation at Committee meeting in December. This includes proposed adjustments to the Fuel & Purchased Power base rate (as discussed in November) and additions to the Street Light rate offerings.
2. Board Work Plan Discussion (55 min)
  - a. Objective: Discuss potential Finance Committee topics for inclusion on Board Work Plan
3. Summary of Committee Direction (5 min)
  - a. Objective: Senior management team liaison(s) to summarize direction provided by the committee



## Action Item

### BOARD OF DIRECTORS

December 8, 2020

### ITEM

2021 Corporate Operating Plan

### PURPOSE

Submittal of the 2021 Corporate Operating Plan for approval by the Board of Directors.

### FACTS

- a. No General Rate increase, or increase in the Fuel and Purchased Power Adjustment (FPPA) factor is required for 2021. This final Corporate Operating Plan includes Management's desire to rebalance the amount of retail fuel and purchased power collected through general rates.
  - The current Fuel and Purchased Power base rate is 2.412 cents per kWh.
  - In order to reflect a truer variable cost of energy, management proposes to change the base rate to 2.095 cents per kWh and leave the current FPPA factor unchanged.
  - The net result of the action is that retail customers will see no overall rate change due to the base rate change and the retention of the current FPPA factor of 0.186 cents per kWh.
- b. Three new LED streetlight method options have been added to Rate Schedule No. 350, Municipal Service Street Lighting. The new costs associated with the new fixtures have been incorporated into the District's cost of service model to establish the new rates.
- c. The District analyzed the updated hydroelectric contract rates with the Western Area Power Administration for Offutt Air Force Base and has revised the energy, capacity and other charges for 2021.
- d. Total energy sales are budgeted to be 16,740 GWh which represents a 2.9% increase from the projected 2020 sales amount.
  - Retail sales are budgeted to be 11,533 GWh which represents a 4.4% increase from the projected 2020 amount.
  - Wholesale sales, excluding Nebraska City Station Unit 2 (NC2) participation sales, are budgeted to be 3,055 GWh which represents a 14.8% increase from the projected 2020 amount.
    - NC2 participation sales for 2021 are budgeted to be 2,152 GWh, a 16.1% decrease from the projected 2020 amount.
- e. Total operating revenues are budgeted to be \$1,182.5 million. Total budgeted operating revenues are 8.6% higher than 2020 projections.
  - Retail revenues for all three customer classes are increasing \$27.8 million above the 2020 projection.
  - Wholesale revenues, excluding NC2 participation revenues, are budgeted to be \$77.9 million which is 6.0% higher than 2020 projected revenues.
    - NC2 participation revenues for 2021 are budgeted to be \$60.2 million, an 11.2% decrease from the projected 2020 amount.

- f. Total operations and maintenance expenditures are budgeted to be \$768.3 million. Total operations and maintenance expenditures are \$68.8 million or 9.8% higher than the 2020 projected amount.
  - Operations and maintenance expenditures (excluding fuel and purchased power) are estimated to be \$403.3 million, which is \$46.7 million or 13.1% higher than the amount projected for 2020.
  - Fuel expenses are budgeted to be \$142.7 million which is \$4.5 million or 3.1% lower than the amount projected for 2020.
  - Purchased power expenses are budgeted to be \$222.4 million which is \$26.6 million or 13.6% higher than the amount projected for 2020. The purchased power expenses include 972 megawatts of wind capability, as well as 5 megawatts of Fort Calhoun Community Solar capability, to support the District’s renewable energy goal.
- g. Capital expenditures are budgeted at \$370.0 million compared to \$198.7 million projected for 2020.

The 2021 capital expenditure plan provides for expansion and improvements to the existing production, transmission and distribution systems. Expenditures by classification include both approved and pending capital projects. Actual expenditures by classification will vary based on final project designs, corporate priorities, and pending project approvals.


Production Plant	\$ 192.5 million
Transmission and Distribution	144.0 million
General Plant, Removal & Salvage	<u>33.5 million</u>
TOTAL	\$370.0 million

- h. In 2021, additional funding for Nuclear Decommissioning is projected at \$129.4 million.
- i. Net income for 2021 is budgeted to be \$42.6 million compared to \$65.6 million projected for 2020.
- j. The 2021 Corporate Operating Plan total expenditure amount equals \$1,443.1 million.
- k. Total debt service coverage is anticipated to be 2.0 times for 2021 and 2.0 times for 2020.

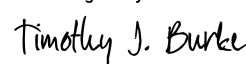
ACTION

Approval of the 2021 Corporate Operating Plan.

RECOMMENDED:

DocuSigned by:  
  
 L. Javier Fernandez  
 Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
 Timothy J. Burke  
 President and Chief Executive Officer

LJF:bru

- Attachments: 2021 Final Corporate Operating Plan  
 Letter from NewGen Strategies and Solutions  
 Letter from The Brattle Group  
 Proposed Fuel and Purchased Power Adjustment Schedule No. 461  
 Proposed New LED Streetlight Method Schedule No. 350  
 Resolution

# 2021 Corporate Operating Plan



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# Management Letter





## Management Letter

2020 has been a year unlike any other, and the employees of Omaha Public Power District have risen to the challenge of serving their communities amid the coronavirus pandemic. At the same time, the utility continued its work on innovative projects and initiatives that will position OPPD well to continue to lead the way we power the future.



Our 2021 Corporate Operating Plan maintains our commitment to no general rate increase, as well as no increase to the Fuel and Purchased Power Adjustment.

The plan shows OPPD's commitment to its mission of serving our customers with affordable, reliable and environmentally sensitive energy services. In 2020, OPPD continued to pursue five key strategic initiatives that will shape the utility for decades to come while maintaining a strong focus on its mission.

These initiatives include:

- Pathways to Decarbonization, which will examine the long-term balance of load generation along with decarbonization efforts to help OPPD meet its goal of being a net-zero carbon emitter by 2050;
- Customer Engagement initiative aimed at helping the utility meet customers' needs and expectations now and into the future;
- Electric System Evaluation and Modernization, which will study a number of grid-related areas including maintenance, inspections, smart technology and worker mobility, among other areas;
- Technology Platform, an initiative that will develop a scalable and secure digital ecosystem to enable OPPD to extend technology to customers and employees in new ways;
- The Transforming the Workplace initiative will allow OPPD to determine how its workplace will evolve amid a rapidly changing utility industry, including new skill sets and support for employees to ensure meaningful work.

In addition to these initiatives, a cross-functional team continues to move forward with the utility's Power with Purpose project, approved by the Board of Directors in November 2019. This project will add utility-scale solar and back-up natural gas generation to support load growth in the area and capacity requirements, while maintaining reliability and resiliency of the system. Throughout the end of 2020, OPPD determined future sites for the two, back-up natural gas facilities and held virtual meetings with the public to gather feedback and answer questions around the project.

Lastly, OPPD has joined other business leaders in the Omaha area in standing up for diversity and inclusion. This commitment recognizes the changing workforce in the city and state and acknowledges the social responsibility the utility has to represent the communities we serve.

A handwritten signature in black ink, appearing to read "Timothy J. Bunde". The signature is written in a cursive, professional style.

*President & Chief Executive Officer*

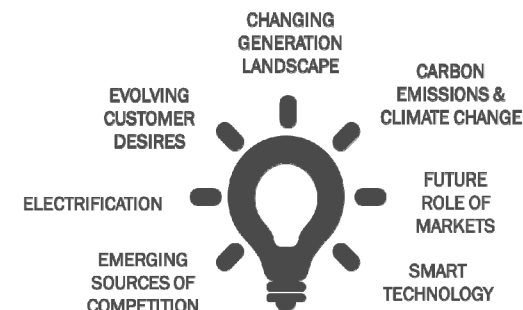


# Strategic Planning and Enterprise Risk Management



## Strategic Planning

Industry trends are accelerating transformational change, creating significant pressures on the traditional strategies and business models of electric utilities. Dynamic trends compel us to navigate through significant ambiguity and make courageous decisions for our future. While leveraging the legacy of traditional energy services, we must also embrace innovation, and continuously explore new and better ways to deliver affordable, reliable and environmentally sensitive energy services to our customers.



## Strategic Direction

To provide clear and transparent direction on behalf of OPPD’s customer owners OPPD’s publicly elected Board of Directors established fifteen strategic direction (SD) policies to which OPPD is accountable. The policies guide OPPD’s strategic and operational planning efforts to address current and future trends, mitigate risks, pursue strategic opportunities, and prioritize resources to efficiently and effectively provide energy services to the District. In November of 2019, the Board of Directors revised SD-7 (Environmental Stewardship) and established the goal to conduct all of its operations in a manner that strives for the goal of net zero carbon production by 2050. In consideration of this revision, other SDs, and transformational changes within and outside the industry, the Senior Management Team (SMT) is in the process of developing a comprehensive 30-year vision known as Powering the Future to 2050 (PFT 2050). The SDs in concert with PFT 2050 will align the organization to clear performance expectations to serve OPPD’s customer-owners.

### Our Strategic Foundation (SD-1)

**Mission:** To provide affordable, reliable and environmentally sensitive energy services to our customers.

**Vision:** “Leading the Way We Power the Future”

In implementing this vision, OPPD shall adhere to these principles:

- Strengthen the public power advantage of affordable and reliable electricity;
- Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners;
- Proactively engage and communicate with our stakeholders;
- Act transparently and with accountability for the best interest of our customer-owners;
- Collaborate, when appropriate, with partners; and
- Leverage OPPD’s leadership to achieve these goals.

**Core Values**

- We have a PASSION to serve
- We HONOR our community
- We CARE about each other

The SD policies leverage industry benchmarks to drive performance as a top utility, and provide the basis for a scorecard to which the organization manages its performance.

Board Strategic Direction Policies & 2021 Performance Targets				
Policy	Measure	Definition	2021 Target	Strategic Goal
Rates (SD-2)	% Below Regional Retail Average	Retail rate target of West North Central Regional average published rates on a system average basis. No general rate increase for a 5-year period starting January 1, 2017 and ending December 31, 2021.	No general rate increase	20%
Access to Credit Markets (SD-3)	Debt Coverage Ratio	Revenues less expenses divided by total annual senior and subordinate lien debt interest and principal payments.	2.0	2.0
Reliability (SD-4)	SAIDI	System Average Interruption Duration Index	< 90	< 90
	Equivalent Availability	% of actual generation potential to a unit's maximum rated output over a period of time (12 months)	86%*	90%
Customer Satisfaction (SD-5)	Absolute Satisfaction Score	JD Power's annual Electric Utility Residential Customer Satisfaction Study	Top quartile	Top quartile
Safety (SD-6)	DART	Days Away, Restricted or Transferred	< 0.50	< 0.50
	PVIR	Preventable Vehicle Incident Rate	< 4.00	< 4.00
Environmental Stewardship (SD-7)	Net Zero Carbon	Definition and goals to be determined upon review of the Pathways to Decarbonization study (scheduled for December 2021)	TBD	TBD
Employee Relations (SD-8)	Employee Engagement	Composite score of employee engagement	Top quartile	Top quartile
<p><i>For a full listing of the 15 Strategic Directives, which includes Resource Planning (SD-9), Ethics (SD-10), Economic Development (SD-11), Information Management &amp; Security (SD-12), Stakeholder Outreach &amp; Engagement (SD-13), Retirement Plan Funding (SD-14), Enterprise Risk Management (SD-15), please access the following link to the OPPD Board Policy document <a href="https://www.oppd.com/media/317205/oppd-board-policy-binder.pdf">https://www.oppd.com/media/317205/oppd-board-policy-binder.pdf</a></i></p>				

\*This goal is an initial estimate, the goal will be updated with October through December 2020 operations data.

## Strategic Guiding Principles

Five principles – trusted energy partner, operational excellence, technology solutions, powered through people and financial stewardship – help guide our actions to achieve the direction provided by OPPD’s SDs, lead the way we power the future and fulfill our mission of providing affordable, reliable and environmentally sensitive energy services to our customers.

### FINANCIAL STEWARDSHIP

*We are stewards of financial resources, creating strength and flexibility benefitting our customers and communities.*

### POWERED THROUGH PEOPLE

*We know our workforce drives our success. We provide a safe, healthy environment where our diverse and highly-skilled employees can do their best work*



### TRUSTED ENERGY PARTNER

*We are a trusted energy partner committed to giving our customers and communities value, caring, and excellence.*

### OPERATIONAL EXCELLENCE

*We drive operational excellence by focusing on safety, reliability, cost, environmental stewardship and innovation.*

### TECHNOLOGY SOLUTIONS

*Through partnerships, we provide innovative and value-added **TECHNOLOGY SOLUTIONS** in a secure and reliable manner to achieve strategic initiatives and operational goals.*

## Strategic Initiatives

The 2020 Strategic Planning efforts resulted in five strategic initiatives critical to help achieve OPPD's strategic direction policies, address changing industry dynamics, and support mitigation of enterprise risks. The 10-year horizon of these five strategic initiatives will become the foundation to OPPD's 30-year vision.



**Pathways to De-carbonization:** To establish actionable pathways in generation, internal operations, customer, and community that strive to meet SD-7's goal of net zero carbon production by 2050.

**Customer Engagement:** To better connect and engage with current and prospective customers in order to truly learn and understand what is important to and desired by them, and use that information to define, plan, and prioritize initiatives that help meet customers' changing expectations from their energy services provider.

**Electric System Evaluation & Modernization:** To leverage technology, systems and data to enhance customer experience, modernize our grid, manage asset lifecycles, and optimize operational processes.

**Technology Platform:** To build a sustainable foundation with a focus on mobility, asset management, and business intelligence; improve the way customers and employees interact with OPPD; and ensure that needed data is reliable and available.

**Workplace Transformation:** To develop a framework ensuring workforce readiness for changes related to the developing operations model, supports OPPD's evolution as a utility of the future, and promotes OPPD's position as an employer of choice in the region.

## Enterprise Risk Management

Fundamental to effective planning is an understanding of the District’s enterprise level risks and the development and implementation of initiatives and mitigation plans to respond to those risks. The District’s Enterprise Risk Management (“ERM”) program specifies risk management standards, management responsibilities, and controls to help ensure risk exposures are properly identified and managed within agreed upon risk tolerance levels. Specific risk mitigation plans and procedures are maintained and reviewed periodically to provide focused and consistent efforts to mitigate various risk exposures. In support of its 2021 corporate planning efforts, OPPD leveraged risk assessments and mitigation plans to help prioritize resource allocation. Within the next year, the SMT will explore expanding this effort by incorporating those critical trends identified and associated with PFT 2050.

Theme	OPPD’s Risk Management Focus
<b>Retail revenues &amp; off-system sales</b>	Persistently pursue customer and economic development to achieve economies of scale and strengthen the affordability of our rates. Optimize off-system sales and purchases to further benefit our customer-owners.
<b>Generation reliability</b>	Maintain a highly available and diverse portfolio of generation sources to provide power whenever our customer-owners need it.
<b>Environmental sensitivity</b>	Ensure the District is compliant with all environmental regulations, well-positioned to respond to new regulations, and able to minimize our environmental impact while maintaining affordability, reliability and resiliency.
<b>Fort Calhoun Station Decommissioning</b>	Realize the economic savings potential from ceasing operations at Fort Calhoun Station and effectively executing the decommissioning project. Ensure decommissioning funds are wholly adequate to return the facility to green field status.
<b>Cyber &amp; physical security</b>	Vigorously defend customer information and District assets from all potential cyber and physical security threats inherent with national critical infrastructure.
<b>Infrastructure investment</b>	Optimally invest in transmission, distribution, substation, and technology assets to ensure reliable and resilient energy services and supporting functions will meet the demands of our customer-owners.
<b>Workplace safety</b>	Continue promoting safety as a top priority to ensure every employee and contractor goes home as healthy as they came into work.
<b>Community partnership</b>	Honor and support the communities in which we operate and fulfill the promise of public power.



# Assumptions





## Assumptions

### 2021 Proposed Rate Action

OPPD's 2021 budget requires no General Rate increase, as well as, no increase in the Fuel and Purchased Power Adjustment (FPPA) effective January 1, 2021.

### General

#### *2020 Projected*

Revenues, operations and maintenance, capital and deferred expenditures reflect the 2020 actual values and forecast submitted through October 31, 2020.

### Financing/Investing

#### *Financing*

Revenue bonds with net proceeds of \$160 million are included in the 2021 budget. The proceeds of these bonds are expected to be used for reimbursement and construction projects.

#### *Average Earnings Rates on Funds*

The average earnings rate used for all funds (including special purpose) for 2021 is 1.4% compared to the 1.9% rate from the prior year.

### Energy Sales/Revenues

#### *Load Forecast*

The plan assumes a 4.4% increase in general business energy sales (MWh) and a 1.0% decrease in the number of customers in 2021, as compared to the 2020 projections.

## Assumptions

### Generation, Purchased Power, and Fuel Budget

Outages have been scheduled for the following base-load units in 2021:

1. Nebraska City Station Unit Number 1
2. Nebraska City Station Unit Number 2
3. North Omaha Station Unit Number 5

Additionally there are several shorter outages scheduled for other units. The purchased power budget includes generation supplied from 972 megawatts of wind capability, as well as 5 megawatts of Fort Calhoun Community Solar capability.

### Department Operation and Maintenance Budget

Department and division level budgets were proposed in August 2020 during the Resource Optimization Sessions. These plans were reviewed with Senior Management for alignment with the strategic and operational objectives before submitting them for final approval.

### Capital Budget Expenditures

The capital portfolio prioritization and allocation process continues to improve capital planning. The process enables better alignment with the strategic directives and provides more transparency of capital spending through improved project review and approval processes.

### Total 2021 Budget

The total 2021 Budget is \$1.4 billion.

**BUDGET SUMMARY**  
**2021 BUDGET COMPARED TO 2020 BUDGET**  
(Dollars in Thousands)

**Total Budget**

	BUDGET 2020	BUDGET 2021	INCREASE / (DECREASE)	% CHANGE
Fuel Costs and Purchased Power	\$379,645	\$365,021	(\$14,624)	(3.9)
Non-Fuel Operations & Maintenance	370,741	403,293	32,552	8.8
Total Debt Service and Other Expenses	124,931	131,145	6,214	5.0
Payments in Lieu of Taxes	35,674	36,139	465	1.3
Capital Expenditures*	230,000	370,000	140,000	60.9
Regulatory Amortization	14,838	14,838	0	0.0
Decommissioning Expenditures**	143,996	122,688	(21,308)	(14.8)
<b>TOTAL BUDGET</b>	<b>\$1,299,825</b>	<b>\$1,443,124</b>	<b>\$143,299</b>	<b>11.0</b>

\*Capital Expenditures are shown net of Contributions in Aid of Construction.

\*\*Decommissioning Expenditures represent expenditures related to Decommissioning activity, which differs from Decommissioning Funding.

**Budget Component Comparison**

	BUDGET 2020	BUDGET 2021	INCREASE / (DECREASE)
Fuel Costs and Purchased Power	29%	25%	(3.9)
Non-Fuel Operations & Maintenance	29%	28%	(0.6)
Total Debt Service and Other Expenses	10%	9%	(0.5)
Payments in Lieu of Taxes	3%	3%	(0.2)
Capital Expenditures*	18%	26%	7.9
Regulatory Amortization	1%	1%	(0.1)
Decommissioning Expenditures**	11%	9%	(2.6)
<b>TOTAL BUDGET</b>	<b>100%</b>	<b>100%</b>	<b>(0.0)</b>

## 2021 Fuel and Purchased Power Budget Compared to 2020 Budget

	BUDGET 2020	BUDGET 2021	INCREASE / (DECREASE)	% CHANGE
Fuel Cost	\$179,752	\$142,650	(\$37,102)	(20.6)
Purchased Power	199,893	222,371	22,478	11.2
<b>TOTAL BUDGET</b>	<b>\$379,645</b>	<b>\$365,021</b>	<b>(\$14,624)</b>	<b>(3.9)</b>

## 2021 Non-Fuel O&M Budget Compared to 2020 Budget

	BUDGET 2020	BUDGET 2021	INCREASE / (DECREASE)	% CHANGE
Production	\$91,071	\$102,481	\$11,410	12.5
Transmission and Distribution	102,954	112,122	9,168	8.9
Customer Accounting and Services	40,281	44,271	3,990	9.9
Administrative and General	136,435	144,419	7,984	5.9
<b>TOTAL BUDGET</b>	<b>\$370,741</b>	<b>\$403,293</b>	<b>\$32,552</b>	<b>8.8</b>

## 2021 Debt Service/Other Expenses Compared to 2020 Budget

	BUDGET 2020	BUDGET 2021	INCREASE / (DECREASE)	% CHANGE
Bonds (excludes Minibonds)	\$153,400	\$103,372	(\$50,029)	(32.6)
Commercial Paper	3,228	625	(2,603)	(80.6)
Other (includes Minibonds)	(31,697)	27,148	58,846	(185.6)
<b>TOTAL BUDGET</b>	<b>\$124,931</b>	<b>\$131,145</b>	<b>\$6,214</b>	<b>5.0</b>



# Financial Statements



## Financial Statements

### Income Statement

Projected net income for 2020 is \$65.6 million, which is \$0.5 million over budget. Operating income is projected to be \$26.7 million under budget.

Net income for 2021 is budgeted to be \$42.6 million, which is \$23.0 million or 35.1% lower than the 2020 projected net income. When compared to the 2020 budget, net income for 2021 is \$22.6 million or 34.7% lower.

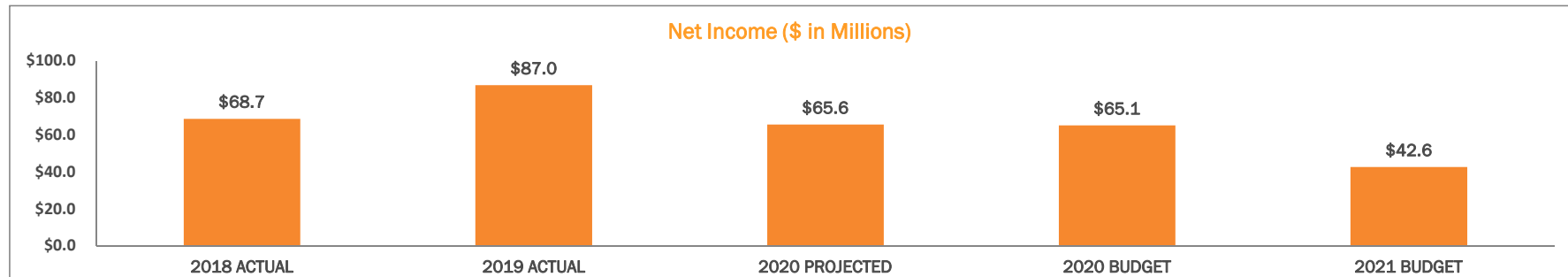
Major factors contributing to the change in 2021 operating and net income are:

1. Operating revenue is budgeted to be \$93.9 million higher than 2020 projections and \$21.1 million higher than the 2020 budget. The budget increase is primarily due to higher retail revenue, specifically related to industrial customer load growth. Retail revenues less adjustments (Fuel and Purchased Power Adjustment (FPPA), Decommissioning and Benefit Reserve (DABR), and Unbilled Revenues) are projected to increase \$27.8 million from 2020 projections and increase \$12.9 million when compared to the 2020 budget.
2. Operations and maintenance expense is budgeted to be \$68.8 million higher than the 2020 projected amount and \$17.9 million higher than the 2020 budget amount. These increases reflect savings in fuel costs and are primarily due to higher purchased power, outage costs, and a focus on strategic initiatives.
3. Other income for 2021 is \$27.6 million lower than the 2020 projected amount primarily due to the change in the fair value of the investments in 2020. Other income budgeted for 2021 is \$2.4 million lower than the 2020 budget amount primarily due to lower investment earnings as a result of lower interest rates.
4. Total decommissioning funding, which is recognized as an expense of \$129.4 million in 2021, is \$4.6 million higher than 2020 projected.

**INCOME STATEMENT**  
(DOLLARS IN THOUSANDS)

**Income Statement**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
<b>OPERATING REVENUES</b>	\$1,156,933	\$1,160,719	\$1,088,601	\$1,161,360	(\$72,758)	\$1,182,466	\$93,865	8.6
<b>OPERATING EXPENSES</b>								
O&M EXPENSE	\$699,944	\$724,891	\$699,560	\$750,386	(\$50,826)	\$768,314	\$68,754	9.8
PAYMENTS IN LIEU OF TAXES	34,916	35,030	35,551	35,674	(123)	36,139	588	1.7
DECOMMISSIONING EXPENSE	156,000	143,004	124,875	123,601	1,274	129,442	4,567	3.7
REGULATORY AMORTIZATION	14,836	14,836	14,835	14,838	(3)	14,838	3	0.0
DEPRECIATION EXPENSE	128,138	129,514	134,664	131,074	3,590	137,981	3,318	2.5
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,033,833</b>	<b>\$1,047,274</b>	<b>\$1,009,484</b>	<b>\$1,055,573</b>	<b>(\$46,089)</b>	<b>\$1,086,714</b>	<b>\$77,230</b>	<b>7.7</b>
<b>OPERATING INCOME</b>	\$123,100	\$113,445	\$79,117	\$105,787	(\$26,670)	\$95,752	\$16,635	21.0
INTEREST INCOME	\$14,801	\$51,871	\$41,240	\$21,245	\$19,995	\$15,790	(\$25,451)	(61.7)
ALLOWANCE FOR FUNDS USED	2,888	4,706	7,881	5,258	2,623	6,760	(1,121)	(14.2)
PRODUCTS AND SERVICES - NET	3,529	2,862	1,341	3,040	(1,699)	4,622	3,282	244.7
MISC. NON OPERATING INCOME	7,351	3,505	7,319	3,000	4,319	3,000	(4,319)	(59.0)
<b>TOTAL OTHER INCOME</b>	<b>\$28,569</b>	<b>\$62,943</b>	<b>\$57,781</b>	<b>\$32,543</b>	<b>\$25,238</b>	<b>\$30,172</b>	<b>(\$27,609)</b>	<b>(47.8)</b>
<b>TOTAL INCOME LESS OPERATING EXPENSE</b>	<b>\$151,669</b>	<b>\$176,388</b>	<b>\$136,898</b>	<b>\$138,329</b>	<b>(\$1,431)</b>	<b>\$125,924</b>	<b>(\$10,974)</b>	<b>(8.0)</b>
<b>INCOME DEDUCT. &amp; INT. CHARGES</b>								
INTEREST EXPENSE ON BONDS	\$85,482	\$82,509	\$77,626	\$77,625	\$1	\$78,039	\$413	0.5
INTEREST EXPENSE ON NOTES	1,533	1,544	1,476	847	629	10,738	9,262	627.6
INTEREST EXPENSE ON COMMERCIAL PAPER	2,313	2,917	1,522	3,228	(1,706)	625	(897)	(58.9)
AMORTIZATION	(7,353)	(257)	(11,019)	(9,108)	(1,911)	(7,842)	3,177	(28.8)
OTHER INCOME DEDUCTIONS	961	2,724	1,703	600	1,103	1,805	102	6.0
<b>TOTAL INCOME DEDUCT. &amp; INT. CHARGES</b>	<b>\$82,935</b>	<b>\$89,438</b>	<b>\$71,308</b>	<b>\$73,192</b>	<b>(\$1,884)</b>	<b>\$83,365</b>	<b>\$12,057</b>	<b>16.9</b>
<b>NET INCOME</b>	<b>\$68,734</b>	<b>\$86,951</b>	<b>\$65,590</b>	<b>\$65,137</b>	<b>\$453</b>	<b>\$42,559</b>	<b>(\$23,030)</b>	<b>(35.1)</b>



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

## Financial Statements

### Coverage Ratios

The total debt service coverage ratio, which is the main metric viewed by credit rating agencies, is budgeted to be 2.00 times in 2021.

The fixed charge ratio is budgeted to be 1.66 times in 2021.

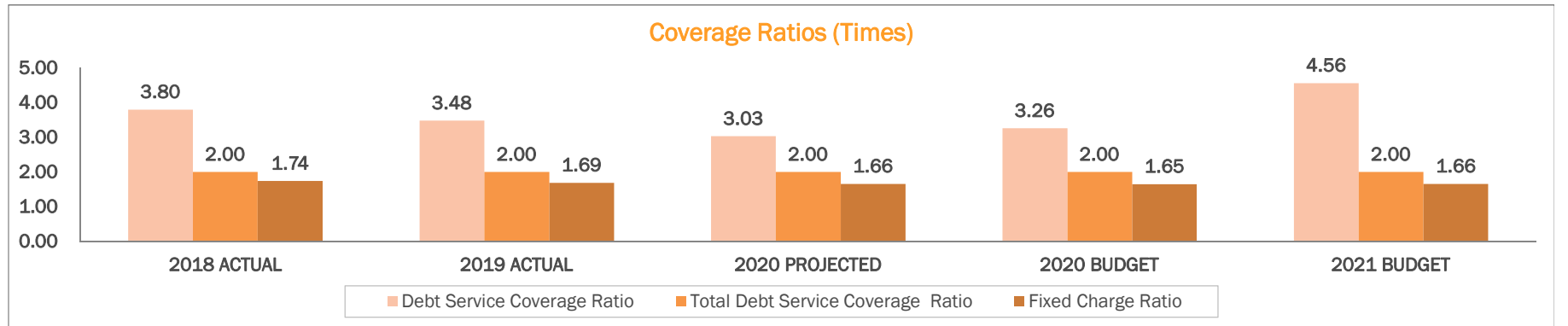
The Senior Lien debt service coverage ratio is projected to be 3.03 times in 2020 and 4.56 times in 2021. The significant increase is driven both by an increase in net receipts and a decrease in Senior Lien debt service requirements. Net receipts for 2021 are expected to increase by \$27.0 million or 8.3% from 2020 projected levels primarily due to increasing industrial revenue. Senior Lien debt service requirements for 2021 are scheduled to decrease by approximately \$30.3 million over 2020 projections as a result of lowering Senior Lien principal payments in order to cover the payoff of the Minibonds.



**COVERAGE RATIOS**  
(Dollars in Thousands)

**Coverage Ratios**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
OPERATING REVENUES (EXCL. NC2)	\$1,082,138	\$1,090,473	\$1,020,812	\$1,095,071	(\$74,259)	\$1,122,260	\$101,449	9.9
INTEREST INCOME - BONDS RESERVE ACCOUNT	803	1,124	1,070	1,070	0	849	(221)	(20.7)
O&M EXPENSE (EXCL. NC2 PARTICIPANT SHARE)	(629,786)	(683,466)	(659,429)	(709,193)	49,764	(732,978)	(73,549)	11.2
PAYMENTS IN LIEU OF TAXES	(34,916)	(35,030)	(35,551)	(35,674)	123	(36,139)	(588)	1.7
<b>NET RECEIPTS</b>	<b>\$418,239</b>	<b>\$373,102</b>	<b>\$326,902</b>	<b>\$351,274</b>	<b>(\$24,372)</b>	<b>\$353,993</b>	<b>\$27,091</b>	<b>8.3</b>
DEBT SERVICE REQUIREMENTS (SENIOR LIEN)	\$109,980	\$107,186	\$107,795	\$107,795	\$0	\$77,523	(\$30,272)	(28.1)
DEBT SERVICE (SENIOR LIEN) COVERAGE RATIO	3.80	3.48	3.03	3.26		4.56		
<u>MEMO: OTHER COVERAGE RATIOS:</u>								
<b>TOTAL DEBT SERVICE COVERAGE RATIO (DSC)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>		<b>2.00</b>		
FIXED CHARGE RATIO	1.74	1.69	1.66	1.65		1.66		



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding. Total DSC as defined in OPPD's published Strategic Directive-3: Access to Credit Markets.

## Financial Statements

### Debt and Financing Data

Total Senior Lien revenue bonds outstanding at year-end 2021 are budgeted to equal \$1,283.0 million. The 2021 budget anticipates the issuance of approximately \$125 million of new Senior Lien revenue bonds and also includes Senior Lien revenue bond maturities and retirements of \$50.4 million.

Total subordinated bonds outstanding at year-end 2021 are budgeted to equal \$229.8 million. The 2021 budget does not anticipate the issuance of new subordinated bonds nor bond maturities or retirements.

All minibonds will be redeemed in 2021 with an outstanding year-end balance of \$0.0.

The District issued an additional \$19.9 million of commercial paper during February 2020 bringing its total commercial paper outstanding to \$250.0 million. The District does not anticipate issuance of additional commercial paper in 2021.

Total Separate System (NC2) revenue bonds outstanding at year-end 2021 are budgeted to equal \$201.5 million. The 2021 budget does not anticipate the issuance of new NC2 revenue bonds but does have NC2 revenue bond maturities and retirements of \$3.7 million.

The total average interest rate and weighted average maturity on existing debt will be 4.24% and 13.58 years at the end of 2020 and 4.55% and 13.45 years at the end of 2021. The debt to capitalization ratio is budgeted to be 56% for 2021.

**DEBT AND FINANCING DATA**  
(Dollars in Thousands)

**Debt and Financing Data**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
<b>SENIOR LIEN REVENUE BONDS</b>								
BALANCE - BEGINNING OF YEAR	\$1,399,645	\$1,320,330	\$1,256,030	\$1,256,030	\$0	\$1,208,640	(\$47,390)	(3.8)
MATURITIES / RETIREMENTS	(224,645)	(202,055)	(47,390)	(47,390)	0	(50,360)	(2,970)	6.3
NEW ISSUES	145,330	137,755	0	0	0	124,705	124,705	-
<b>BALANCE - END OF YEAR</b>	<b>\$1,320,330</b>	<b>\$1,256,030</b>	<b>\$1,208,640</b>	<b>\$1,208,640</b>	<b>\$0</b>	<b>\$1,282,985</b>	<b>\$74,345</b>	<b>6.2</b>
AVERAGE INTEREST RATE (END OF YEAR)	4.67%	4.78%	4.77%	4.77%		4.55%		
<b>SUBORDINATED</b>								
BALANCE - BEGINNING OF YEAR	\$337,120	\$335,940	\$254,665	\$254,665	\$0	\$229,775	(\$24,890)	(9.8)
MATURITIES / RETIREMENTS	(1,180)	(81,275)	(24,890)	(24,890)	0	0	24,890	(100.0)
NEW ISSUES	0	0	0	0	0	0	0	-
<b>BALANCE - END OF YEAR</b>	<b>\$335,940</b>	<b>\$254,665</b>	<b>\$229,775</b>	<b>\$229,775</b>	<b>\$0</b>	<b>\$229,775</b>	<b>\$0</b>	<b>0.0</b>
AVERAGE INTEREST RATE (END OF YEAR)	3.97%	4.79%	4.27%	4.27%		4.24%		
<b>MINIBONDS</b>								
BALANCE - BEGINNING OF YEAR	\$30,273	\$30,755	\$31,211	\$31,313	(\$102)	\$31,720	\$509	1.6
MATURITIES / RETIREMENTS	(158)	(176)	(150)	0	(150)	(32,567)	(32,417)	21,611.3
ACCREDITED INTEREST	640	632	659	847	(188)	847	188	28.5
<b>BALANCE - END OF YEAR</b>	<b>\$30,755</b>	<b>\$31,211</b>	<b>\$31,720</b>	<b>\$32,160</b>	<b>(\$440)</b>	<b>\$0</b>	<b>(\$31,720)</b>	<b>(100.0)</b>
AVERAGE INTEREST RATE (END OF YEAR)	4.98%	4.95%	2.67%	2.63%		...		
<b>COMMERCIAL PAPER</b>								
BALANCE - BEGINNING OF YEAR	\$150,000	\$150,000	\$230,100	\$230,100	\$0	\$250,000	\$19,900	8.6
MATURITIES / RETIREMENTS	0	0	0	0	0	0	0	-
NEW ISSUES	0	80,100	19,900	19,900	0	0	(19,900)	(100.0)
<b>BALANCE - END OF YEAR</b>	<b>\$150,000</b>	<b>\$230,100</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>0.0</b>
AVERAGE INTEREST RATE (END OF YEAR)	1.54%	1.27%	1.29%	1.29%		0.25%		
<b>SEPARATE SYSTEM REVENUE BONDS (NC2)</b>								
BALANCE - BEGINNING OF YEAR	\$215,215	\$211,995	\$208,645	\$208,645	\$0	\$205,150	(\$3,495)	(1.7)
MATURITIES / RETIREMENTS	(3,220)	(3,350)	(3,495)	(3,495)	0	(3,655)	(160)	4.6
NEW ISSUES	0	0	0	0	0	0	0	-
<b>BALANCE - END OF YEAR</b>	<b>\$211,995</b>	<b>\$208,645</b>	<b>\$205,150</b>	<b>\$205,150</b>	<b>\$0</b>	<b>\$201,495</b>	<b>(\$3,655)</b>	<b>(1.8)</b>
AVERAGE INTEREST RATE (END OF YEAR)	4.93%	4.93%	4.94%	4.94%		4.95%		
<b>TOTAL AVERAGE INTEREST RATE (END OF YEAR)</b>	<b>4.36%</b>	<b>4.39%</b>	<b>4.24%</b>	<b>4.24%</b>		<b>4.55%</b>		
<b>TOTAL INTEREST EXPENSE (ON DEBT)</b>	<b>\$82,935</b>	<b>\$89,438</b>	<b>\$71,308</b>	<b>\$73,192</b>	<b>(\$1,884)</b>	<b>\$83,365</b>	<b>\$12,057</b>	<b>16.9</b>
<b>DEBT TO CAPITALIZATION RATIO</b>	<b>61%</b>	<b>59%</b>	<b>56%</b>	<b>56%</b>		<b>56%</b>		

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

## Financial Statements

### Cash Flow Analysis

Projected cash receipts for 2020 are \$1,178.0 million, which is \$44.1 million under budget. Cash disbursements are projected to be \$1,191.1 million in 2020 or \$85.7 million under the budget amount.

In 2021, cash receipts are budgeted to increase by \$19.0 million to \$1,197.0 million as compared to the 2020 projection. This increase is commensurate with the budgeted increase of operating revenues.

Cash disbursements in 2021 are budgeted to increase by \$271.8 million to \$1,462.9 million as compared to the 2020 projection. Increases in cash disbursements for 2021 include capital investments of \$171.3 million related to Power with Purpose infrastructure upgrade, operation and maintenance expense of \$66.8 million and purchased power of \$33.3 million.

The budget values of cash receipts and disbursements result in a projected year-end cash balance of \$258.0 million in 2021.

**CASH FLOW ANALYSIS**  
(Dollars in Thousands)

**Cash Flow Analysis**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
CASH BEGINNING OF PERIOD	\$449,066	\$457,593	\$356,508	\$385,782	(\$29,274)	\$363,347	\$6,839	1.9
RECEIPTS								
GENERAL BUSINESS REVENUES	\$976,578	\$967,717	\$951,152	\$993,657	(\$42,505)	\$995,861	\$44,709	4.7
WHOLESALE REVENUES (INCL. NC2)	197,498	146,718	141,243	167,292	(26,049)	141,886	643	0.5
OTHER ELECTRIC REVENUES	33,094	37,402	36,267	35,187	1,080	35,848	(419)	(1.2)
INTEREST INCOME	27,630	29,534	47,882	22,991	24,891	18,790	(29,092)	(60.8)
PRODUCTS & SERVICES	3,529	2,862	1,502	3,039	(1,537)	4,622	3,121	207.8
USE OF RESERVE ACCOUNTS	0	0	0	0	0	0	0	0.0
<b>TOTAL RECEIPTS</b>	<b>\$1,238,329</b>	<b>\$1,184,233</b>	<b>\$1,178,045</b>	<b>\$1,222,166</b>	<b>(\$44,121)</b>	<b>\$1,197,007</b>	<b>\$18,962</b>	<b>1.6</b>
DISBURSEMENTS								
O&M EXPENSE (W/O FUEL & PURCHASED POWER)	\$326,559	\$348,621	\$335,447	\$378,079	(\$42,632)	\$402,283	\$66,836	19.9
DECOMMISSIONING EXPENSE	156,000	143,004	128,498	112,552	15,946	129,442	944	0.7
PAYMENTS IN LIEU OF TAXES	34,017	35,030	34,846	34,975	(129)	34,958	111	0.3
DEBT SERVICE	150,851	138,102	157,650	136,040	21,610	139,055	(18,595)	(11.8)
CAPITAL EXPENDITURES	138,178	194,547	198,743	225,000	(26,257)	370,000	171,257	86.2
FUEL	169,946	161,737	144,271	179,603	(35,332)	139,595	(4,676)	(3.2)
PURCHASED POWER	196,276	212,666	191,781	200,182	(8,401)	225,110	33,330	17.4
CHANGES IN OTHER NET ASSETS	14,230	9,111	(17,131)	10,398	(27,529)	0	17,131	(100.0)
CONTRIBUTIONS TO RESERVE ACCOUNTS	43,745	42,500	17,000	0	17,000	22,500	5,500	32.4
<b>TOTAL DISBURSEMENTS</b>	<b>\$1,229,802</b>	<b>\$1,285,318</b>	<b>\$1,191,105</b>	<b>\$1,276,829</b>	<b>(\$85,724)</b>	<b>\$1,462,943</b>	<b>\$271,838</b>	<b>22.8</b>
NET OPERATING CASH FLOW	\$8,527	(\$101,085)	(\$13,060)	(\$54,663)	\$41,603	(\$265,936)	(\$252,876)	1,936.2
FINANCING	\$0	\$0	\$0	\$0	\$0	\$160,627	\$160,627	0.0
FINANCING COST / RESERVE AMOUNT	0	0	0	0	0	0	0	0.0
COMMERCIAL PAPER - NET	0	0	19,900	19,900	0	0	(19,900)	(100.0)
OTHER	0	0	0	0	0	0	0	0.0
NC2 PARTICIPANT CONTRIBUTION	0	0	0	0	0	0	0	0.0
<b>TOTAL FINANCING</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,900</b>	<b>\$19,900</b>	<b>\$0</b>	<b>\$160,627</b>	<b>\$140,727</b>	<b>707.2</b>
TOTAL CHANGE IN CASH	\$8,527	(\$101,085)	\$6,840	(\$34,763)	\$41,603	(\$105,309)	(\$112,149)	(1,639.6)
CASH END OF PERIOD	\$457,593	\$356,508	\$363,348	\$351,019	\$12,329	\$258,038	(\$105,311)	(29.0)
<b>DECOMMISSIONING FUND</b>	<b>\$466,000</b>	<b>\$549,000</b>	<b>\$552,000</b>	<b>\$559,000</b>	<b>(\$7,000)</b>	<b>\$567,000</b>	<b>\$15,000</b>	<b>2.7</b>

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.



# Energy Sales



## Energy Sales

### Electric Energy Sales & Electric Customers

Electric energy sales for 2021 are budgeted to be 16,740,432 MWh or 2.9% higher than the 2020 projected energy sales, which is driven by increasing general business sales (retail sales) and is partially offset by lower wholesale sales (off-system sales). General business sales are budgeted to increase 486,129 MWh in 2021 compared to the 2020 projection, which is mainly a result of industrial sales. Wholesale sales (including NC2 participation sales) are budgeted to decrease 20,765 MWh or 0.4% from 2020 projected levels. The decrease in wholesale sales is primarily due to NC2 Participant Wholesale sales decreasing as a result of a 30 day planned outage for NC2.

In 2021, the average number of general business customers is budgeted to decrease by 3,876 or 1.0% below 2020 projections.

ELECTRIC ENERGY SALES AND CUSTOMERS

Energy Sales and Customers

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ.	
							MWh CHANGE	% CHANGE
<b>ELECTRIC ENERGY SALES (MWh)</b>								
RESIDENTIAL	3,841,044	3,751,130	3,797,344	3,655,916	141,428	3,707,661	(89,683)	(2.4)
COMMERCIAL	3,765,726	3,735,317	3,569,054	3,794,799	(225,745)	3,543,602	(25,451)	(0.7)
INDUSTRIAL	3,371,856	3,389,005	3,689,909	3,690,462	(553)	4,235,059	545,149	14.8
<b>SUBTOTAL</b>	<b>10,978,626</b>	<b>10,875,452</b>	<b>11,056,307</b>	<b>11,141,177</b>	<b>(84,870)</b>	<b>11,486,322</b>	<b>430,016</b>	<b>3.9</b>
UNBILLED SALES	(28,596)	44,351	(8,955)	22,054	(31,010)	47,158	56,113	(626.6)
<b>GENERAL BUSINESS SALES</b>	<b>10,950,030</b>	<b>10,919,803</b>	<b>11,047,351</b>	<b>11,163,231</b>	<b>(115,880)</b>	<b>11,533,480</b>	<b>486,129</b>	<b>4.4</b>
NC2 PARTICIPANT	2,447,542	1,880,606	2,565,974	2,324,248	241,726	2,151,600	(414,374)	(16.1)
OTHER	3,211,166	2,546,862	2,661,743	3,842,272	(1,180,529)	3,055,352	393,609	14.8
<b>WHOLESALE SALES</b>	<b>5,658,707</b>	<b>4,427,468</b>	<b>5,227,717</b>	<b>6,166,520</b>	<b>(938,803)</b>	<b>5,206,952</b>	<b>(20,765)</b>	<b>(0.4)</b>
<b>TOTAL MWh SALES</b>	<b>16,608,737</b>	<b>15,347,271</b>	<b>16,275,068</b>	<b>17,329,750</b>	<b>(1,054,682)</b>	<b>16,740,432</b>	<b>465,364</b>	<b>2.9</b>
<b>ELECTRIC CUSTOMERS (12 MONTH AVG.)</b>								
RESIDENTIAL	333,567	337,517	342,010	339,069	2,940	338,103	(3,907)	(1.1)
COMMERCIAL	46,589	46,837	47,422	47,448	(26)	47,450	28	0.1
INDUSTRIAL	151	147	145	147	(2)	148	3	2.1
<b>TOTAL GEN. BUS. CUSTOMERS</b>	<b>380,308</b>	<b>384,502</b>	<b>389,577</b>	<b>386,664</b>	<b>2,913</b>	<b>385,701</b>	<b>(3,876)</b>	<b>(1.0)</b>
<b>kWh / CUSTOMER</b>								
RESIDENTIAL	11,515	11,114	11,103	10,782	321	10,966	(137)	(1.2)
COMMERCIAL	80,828	79,751	75,261	79,979	(4,717)	74,681	(581)	(0.8)
INDUSTRIAL	22,268,726	23,015,311	25,447,650	25,105,184	342,466	28,615,261	3,167,611	12.4
<b>AVERAGE kWh / CUSTOMER</b>	<b>28,868</b>	<b>28,285</b>	<b>28,380</b>	<b>28,814</b>	<b>(433)</b>	<b>29,780</b>	<b>1,400</b>	<b>4.9</b>

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.



## Energy Sales

### Operating Revenues

Total electric operating revenues for 2020 are projected to be \$1,088.6 million, which is \$72.8 million or 6.3% below budget. The variance is primarily due to retail revenues of \$29.2 million, Decommissioning and Benefits Reserve contribution of \$22.5 million, and wholesale revenues that are \$22.4 million below budget for 2020. The variance also includes the decrease in Late Payment Charges of \$1.5 million and Miscellaneous Service Revenues of \$0.3 million (which includes field collection/reconnect fees), as a part of OPPD's Customer First COVID-19 response.

Total electric operating revenues for 2021 are budgeted to be \$1,182.5 million, which is \$93.9 million or 8.6% over the 2020 projected operating revenues. The increase is primarily due to higher 2021 retail revenue, which is related to increased load growth from industrial customers.

**OPERATING REVENUES**  
(Dollars in Thousands)

**Operating Revenues**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
<b>ELECTRIC OPERATING REVENUES</b>								
RESIDENTIAL	\$431,199	\$423,574	\$433,190	\$418,834	\$14,355	\$423,209	(\$9,980)	(2.3)
COMMERCIAL	331,773	329,616	315,729	332,213	(16,484)	312,864	(2,866)	(0.9)
INDUSTRIAL	213,606	215,766	227,136	239,885	(12,750)	267,779	40,643	17.9
<b>SUBTOTAL</b>	<b>\$976,578</b>	<b>\$968,955</b>	<b>\$976,055</b>	<b>\$990,933</b>	<b>(\$14,878)</b>	<b>\$1,003,852</b>	<b>\$27,798</b>	<b>2.8</b>
FPPA RECEIVABLE AMORTIZATION	\$8,579	\$20,896	(\$41,726)	(\$29,081)	(\$12,645)	\$3,600	\$45,326	(108.6)
PROVISION FOR DABR	(42,500)	(17,000)	(22,500)	0	(22,500)	0	22,500	(100.0)
PROVISION FOR RATE STABILIZATION	0	0	0	0	0	0	0	0.0
UNBILLED REVENUES/ADJUSTMENTS	(2,532)	2,956	(969)	674	(1,643)	1,082	2,051	(211.7)
<b>SUBTOTAL</b>	<b>(\$36,453)</b>	<b>\$6,852</b>	<b>(\$65,195)</b>	<b>(\$28,407)</b>	<b>(\$36,788)</b>	<b>\$4,682</b>	<b>\$69,877</b>	<b>(107.2)</b>
NC2 PARTICIPANTS	\$74,795	\$70,246	\$67,790	\$66,294	\$1,496	\$60,206	(\$7,583)	(11.2)
OTHER	108,918	77,264	73,458	97,354	(23,896)	77,879	4,420	6.0
<b>TOTAL WHOLESALE REVENUES</b>	<b>\$183,714</b>	<b>\$147,509</b>	<b>\$141,248</b>	<b>\$163,648</b>	<b>(\$22,400)</b>	<b>\$138,085</b>	<b>(\$3,163)</b>	<b>(2.2)</b>
<b>TOTAL SALES OF ELECTRIC ENERGY</b>	<b>\$1,123,839</b>	<b>\$1,123,317</b>	<b>\$1,052,107</b>	<b>\$1,126,174</b>	<b>(\$74,067)</b>	<b>\$1,146,619</b>	<b>\$94,511</b>	<b>9.0</b>
<b>OTHER ELECTRIC REVENUES</b>								
LATE PAYMENT CHARGES	\$4,640	\$4,440	\$3,250	\$4,751	(\$1,501)	\$4,846	\$1,596	49.1
RENT FROM ELECTRIC PROPERTY	4,111	4,190	5,650	4,315	1,335	4,481	(1,170)	(20.7)
MISC. SERVICE REVENUE	4,888	4,972	4,496	4,783	(287)	4,808	311	6.9
TRANSMISSION WHEELING FEES	8,003	7,837	7,488	7,163	325	6,384	(1,103)	(14.7)
DISTRIBUTION WHEELING FEES	2,337	2,893	2,780	2,773	7	2,500	(280)	(10.1)
TRANSMISSION - SPP	9,115	13,070	12,829	11,400	1,429	12,829	0	0.0
<b>TOTAL OTHER ELECTRIC REVENUES</b>	<b>\$33,094</b>	<b>\$37,402</b>	<b>\$36,494</b>	<b>\$35,185</b>	<b>\$1,309</b>	<b>\$35,848</b>	<b>(\$646)</b>	<b>(1.8)</b>
<b>TOTAL ELECTRIC OPERATING REVENUES</b>	<b>\$1,156,933</b>	<b>\$1,160,719</b>	<b>\$1,088,601</b>	<b>\$1,161,360</b>	<b>(\$72,758)</b>	<b>\$1,182,466</b>	<b>\$93,865</b>	<b>8.6</b>

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

## Energy Sales

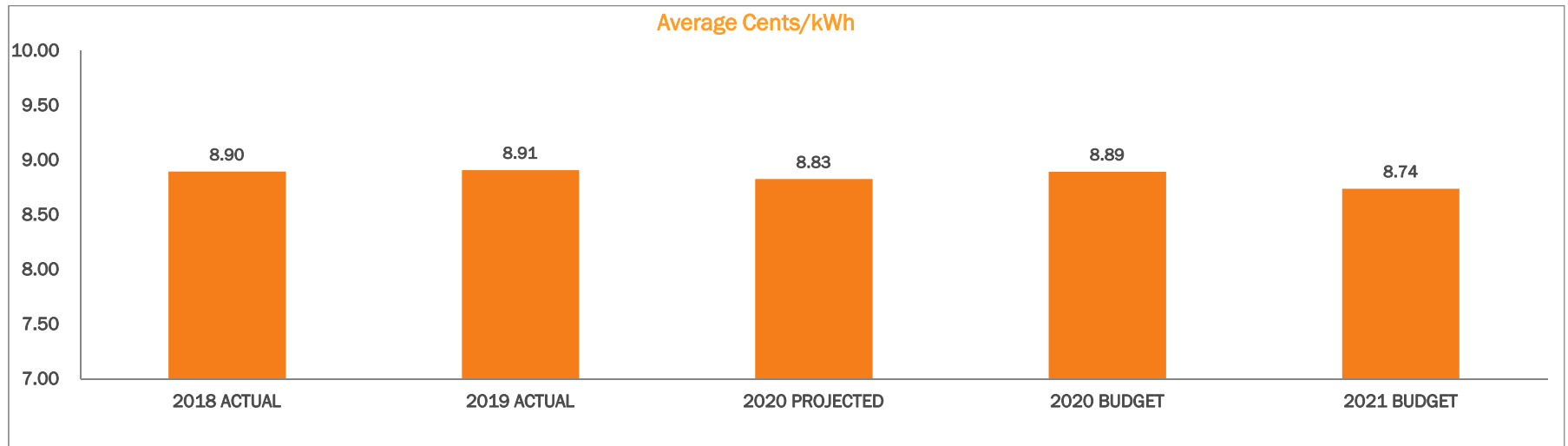
### Average Cents/kWh

The average price per kWh for retail customers is budgeted to be 8.74 cents for 2021. This is 0.09 cents or a 1.0% decrease from the 8.83 cents that is projected for 2020. This price per kWh variance is the result of actual billings relative to energy sold as opposed to a rate change.

AVERAGE CENTS/kWh

Average Cents/kWh

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
RESIDENTIAL	11.23	11.29	11.41	11.46	(0.05)	11.41	0.01	0.1
COMMERCIAL	8.81	8.82	8.85	8.75	0.09	8.83	(0.02)	(0.2)
INDUSTRIAL	6.33	6.37	6.16	6.50	(0.34)	6.32	0.17	2.7
<b>RETAIL AVERAGE</b>	<b>8.90</b>	<b>8.91</b>	<b>8.83</b>	<b>8.89</b>	<b>(0.07)</b>	<b>8.74</b>	<b>(0.09)</b>	<b>(1.0)</b>
	*	*	*	*		*	*	



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.

\* Average rates are from the revenue recognized on the Income Statement and do not incorporate accrued unbilled. These rates differ from customer billed rates and are calculated for benchmarking and illustrative purposes only.



# Net System Requirements



## Net System Requirements

Net system requirements (Total General Business Sales as shown on the next page) for 2021 are budgeted to be 12,111,094 MWh, an increase of 5.2% from the 2020 projected amount. The major components of net system requirements are below by sales and supply components.

Total sales are budgeted to increase 465,364 MWh or 2.9% from the 2020 projected amount. Retail general business sales are budgeted to increase 486,129 MWh from the 2020 projected amount. Wholesale sales, excluding NC2 participation sales, are budgeted to increase by 393,609 MWh or 14.8% from the 2020 projected amount.

Net generation is budgeted to increase 4.3% in 2021 to 10,463,343 MWh and firm/participation purchases are budgeted to decrease 5.9% from the 2020 projected amount. Wholesale purchases are budgeted to increase 395,600 MWh in 2021 from the 2020 projected amount.

**Net System Requirements  
Sales and Supply Components (MWh)**

	PROJECTED 2020	BUDGET 2021	INCREASE / (DECREASE)	% CHANGE
<b>Sales Components</b>				
Retail General Business Sales	11,047,351	11,533,480	486,129	4.4
NC2 Participation Sales	2,565,974	2,151,600	(414,374)	(16.1)
Wholesale Sales	2,661,743	3,055,352	393,609	14.8
<b>Total</b>	<b>16,275,068</b>	<b>16,740,432</b>	<b>465,364</b>	<b>2.9</b>
<b>Supply Components</b>				
Net Generation	10,034,448	10,463,343	428,895	4.3
Firm/Participation Purchases	4,257,271	4,006,528	(250,743)	(5.9)
Wholesale Purchases	2,452,576	2,848,176	395,600	16.1
Lost or Unaccounted For	(469,226)	(577,614)	(108,388)	23.1
<b>Total</b>	<b>16,275,068</b>	<b>16,740,432</b>	<b>465,364</b>	<b>2.9</b>

NET SYSTEM REQUIREMENTS

Net System Requirements

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. MWh CHANGE % CHANGE	
NET GENERATION (MWh)								
<b>TOTAL NET GENERATION</b>	<b>11,153,086</b>	<b>9,053,629</b>	<b>10,034,448</b>	<b>11,331,344</b>	<b>(1,296,897)</b>	<b>10,463,343</b>	<b>428,895</b>	<b>4.3</b>
FIRM/PARTICIPATION PURCHASES	3,496,562	3,400,907	4,257,271	4,170,270	87,000	4,006,528	(250,743)	(5.9)
WHOLESALE PURCHASES	2,388,884	3,289,773	2,452,576	2,377,509	75,067	2,848,176	395,600	16.1
<b>TOTAL PURCHASES</b>	<b>5,885,446</b>	<b>6,690,680</b>	<b>6,709,846</b>	<b>6,547,779</b>	<b>162,067</b>	<b>6,854,704</b>	<b>144,857</b>	<b>2.2</b>
<b>TOTAL INPUT</b>	<b>17,038,532</b>	<b>15,744,309</b>	<b>16,744,294</b>	<b>17,879,123</b>	<b>(1,134,829)</b>	<b>17,318,047</b>	<b>573,752</b>	<b>3.4</b>
WHOLESALE SALES								
NC2 PARTICIPANT	2,447,542	1,880,606	2,565,974	2,324,248	241,726	2,151,600	(414,374)	(16.1)
OTHER	3,211,166	2,546,862	2,661,743	3,842,272	(1,180,529)	3,055,352	393,609	14.8
<b>TOTAL WHOLESALE SALES</b>	<b>5,658,707</b>	<b>4,427,468</b>	<b>5,227,717</b>	<b>6,166,520</b>	<b>(938,803)</b>	<b>5,206,952</b>	<b>(20,765)</b>	<b>(0.4)</b>
NET SYSTEM REQUIREMENTS	11,379,824	11,316,841	11,516,577	11,712,604	(196,026)	12,111,094	594,517	5.2
TOTAL GENERAL BUSINESS SALES	10,950,030	10,919,803	11,047,351	11,163,231	(115,880)	11,533,480	486,129	4.4
ENERGY LOST OR UNACCOUNTED FOR	429,794	397,038	469,226	549,373	(80,147)	577,614	108,388	23.1
<b>TOTAL GEN. BUS. SALES</b>	<b>11,379,824</b>	<b>11,316,841</b>	<b>11,516,577</b>	<b>11,712,604</b>	<b>(196,026)</b>	<b>12,111,094</b>	<b>594,517</b>	<b>5.2</b>
<b>PEAK LOAD (MW)</b>								
EXCLUDES DSM	2,579	2,604	2,552	2,594	(42)	2,640	88	3.4
INCLUDES DSM	2,429	2,447	2,392	2,439	(47)	2,470	78	3.3
LOAD FACTOR (%) - REFLECTS DSM	50.4	49.6	51.5	51.5	(0.0)	52.4	0.9	1.7

NOTES: Some columns may not foot exactly due to the method used for individual line item rounding. DSM stands for Demand Side Management and includes Demand Response and Energy Efficiency components.



# Operation, Maintenance, and Decommissioning Expenses





## Operation, Maintenance, and Decommissioning Expenses

The District's 2021 total budgeted operations and maintenance (O&M) expense is \$768.3 million, which is \$68.8 million or 9.8% more than the 2020 projected amount.

Fuel expense represents 18.6% of total O&M expense. Fuel expense is budgeted at \$142.7 million for 2021, a decrease of \$4.5 million or 3.1% less than the 2020 projected amount. Year over year reduction is due to lower fuel transportation cost.

Production expense represents 13.3% of the total and is budgeted to be \$102.5 million in 2021, which is \$13.4 million or 15.0% greater than the 2020 projected amount. The primary driver is more scheduled outages.

Purchased power, including wind purchases, represents 28.9% of total O&M expense and is budgeted at \$222.4 million for 2021. This represents an increase of \$26.6 million or 13.6% above the 2020 projected amount. The increase from the 2020 projection is primarily due to more scheduled outages in 2021.

Transmission and distribution expense represents 14.6% of total O&M expense and is budgeted at \$112.1 million, which is \$13.3 million or 13.4% more than the 2020 projected amount. The increase over the projected amount for 2020 is associated with asset health maintenance and inspection activities, improved cable locates, and the grid modernization strategic initiative.

Customer accounting and services expense represents 5.8% of total O&M expense and is budgeted at \$44.3 million for 2021. This represents an increase of \$6.1 million or 16.1% more than the 2020 projected amount. Contributors to the increase over the 2020 projection include customer engagement strategic initiative, anticipated customer write offs, and business technology expenses.

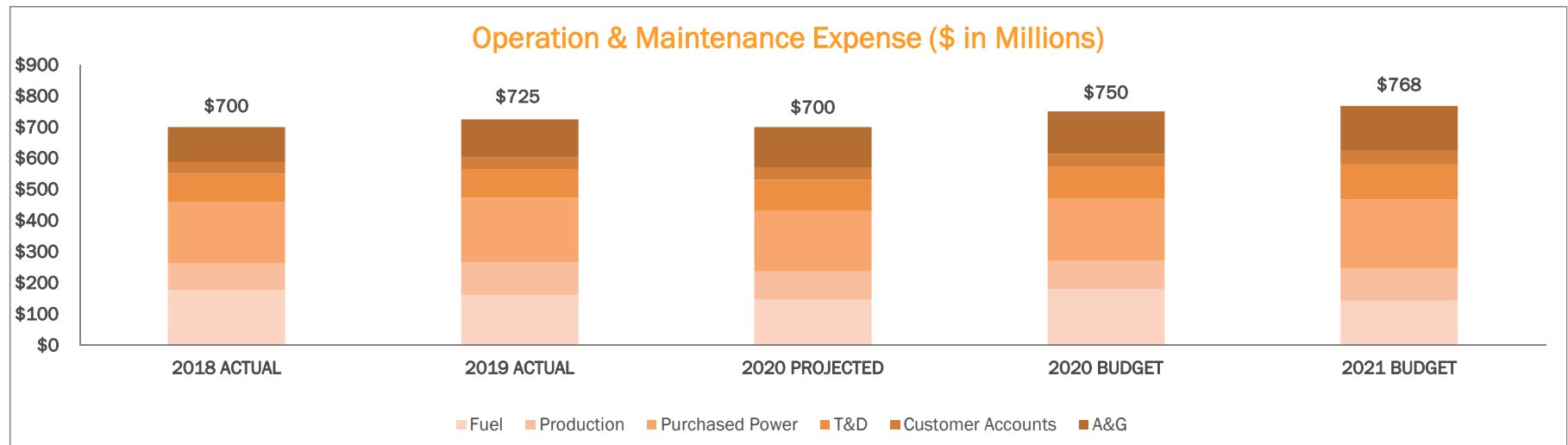
Administrative and general expense represents 18.8% of total O&M expense and is budgeted at \$144.4 million for 2021. This category reflects an increase of \$13.9 million or 10.7% more than the 2020 projected amount. This year over year change is primarily related to business technology expenses and overall growth in staffing plans.

Decommissioning expenses represent the annual funding of the decommissioning liability. The decommissioning funding for 2021 is budgeted to be \$129.4 million, which is \$4.6 million more than the 2020 projected amount.

**OPERATION, MAINTENANCE, AND DECOMMISSIONING EXPENSES**  
(DOLLARS IN THOUSANDS)

**Operation, Maintenance, and Decommissioning Expenses**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
FUEL	\$177,109	\$161,737	\$147,195	\$179,753	(\$32,558)	\$142,650	(\$4,545)	(3.1)
PRODUCTION	85,373	104,771	89,113	91,071	(1,958)	102,481	13,368	15.0
PURCHASED POWER	196,276	206,742	195,751	199,892	(4,141)	222,371	26,620	13.6
TRANSMISSION AND DISTRIBUTION	91,838	91,926	98,862	102,954	(4,093)	112,122	13,261	13.4
CUSTOMER ACCOUNTING AND SERVICES	36,826	37,358	38,123	40,281	(2,158)	44,271	6,149	16.1
ADMINISTRATIVE AND GENERAL	112,522	122,357	130,518	136,435	(5,918)	144,419	13,901	10.7
<b>TOTAL O&amp;M EXPENSE</b>	<b>\$699,944</b>	<b>\$724,891</b>	<b>\$699,560</b>	<b>\$750,386</b>	<b>(\$50,826)</b>	<b>\$768,314</b>	<b>\$68,754</b>	<b>9.8</b>
<b>DECOMMISSIONING EXPENSES</b>	<b>\$156,000</b>	<b>\$143,004</b>	<b>\$124,875</b>	<b>\$123,601</b>	<b>\$1,274</b>	<b>\$129,442</b>	<b>\$4,567</b>	<b>3.7</b>



NOTES: Some columns may not foot exactly due to the method used for individual line item rounding.



# Capital Expenditure Plan



# Capital Expenditure Plan

## Capital Expenditures

Capital expenditures for 2021 are budgeted at \$370.0 million, which is \$171.3 million more than the 2020 projected capital expenditures.

Production Plant expenditures for 2021 are budgeted to be \$192.5 million, which is \$133.1 million or 224.2% more than the 2020 projected expenditures. The year over year increase is primarily related to Power with Purpose projects.

Transmission and Distribution Plant expenditures for 2021 are budgeted to be \$144.0 million, which is \$28.3 million or 24.4% more than the 2020 projected expenditures primarily due to the electric system expansion.

General Plant and Removal and Salvage for 2021 are budgeted to be \$33.5 million, which is \$9.8 million or 41.6% higher than the 2020 projected expenditures.

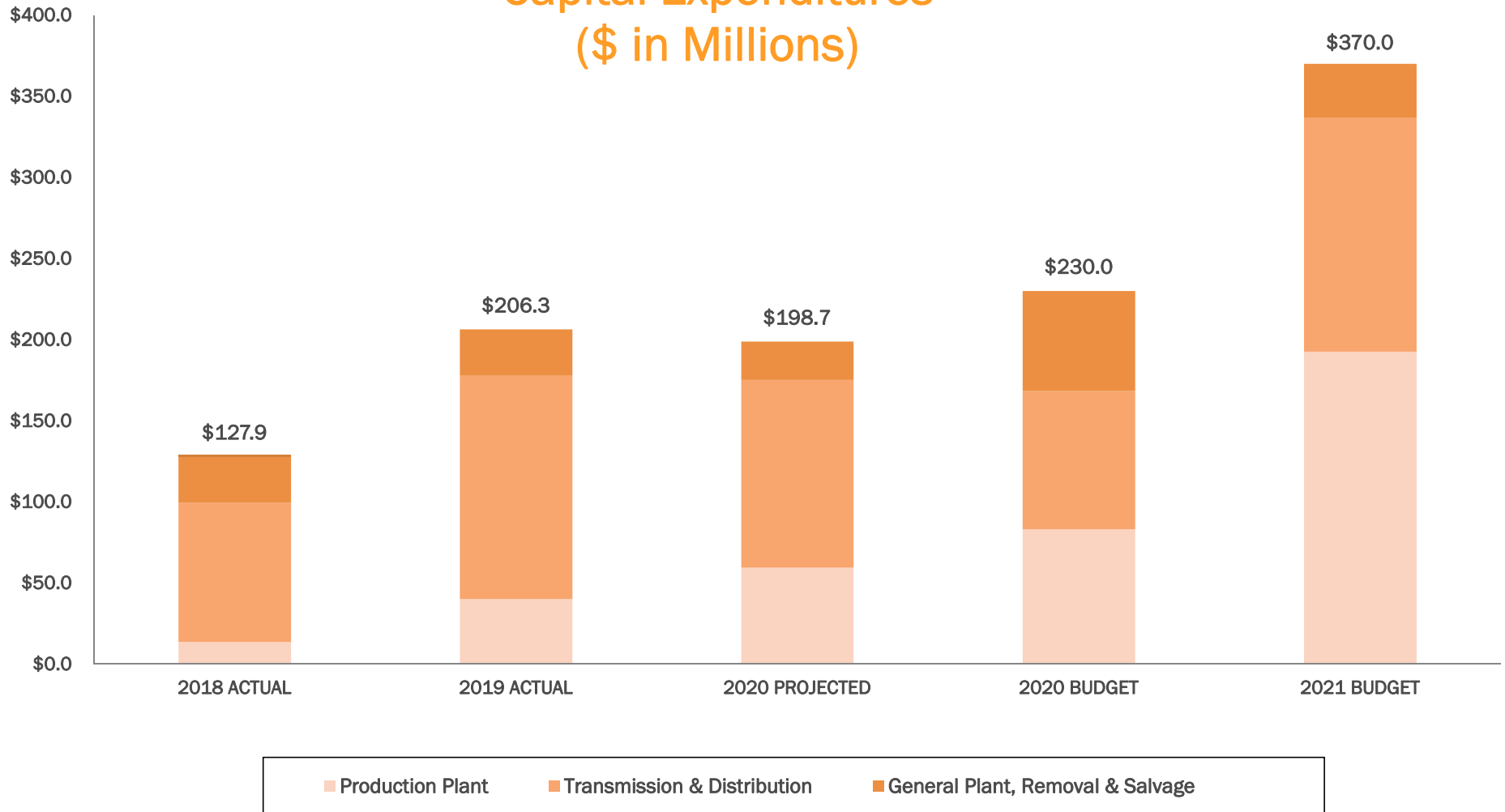
The 2021 Capital Budget total was derived by breaking investments into two categories, labeled sustain and expand. The sustain category includes routine capital projects that are aimed at maintaining and improving existing assets and is budgeted at a consistent level year over year. The expand category is for new assets planned to be added to the District's asset base, such as the Power with Purpose project. The sustain and expand categorization helps to ensure that existing assets are still being invested in at sufficient levels while new assets are being added. For 2021, the sustain category accounts for 43% or \$160.8 million of the total capital budget and the expand category accounts for 57% or \$209.2 million.

**CAPITAL EXPENDITURES  
(DOLLARS IN THOUSANDS)**

**Capital Expenditures**

	ACTUAL 2018	ACTUAL 2019	PROJECTED 2020	BUDGET 2020	VARIANCE 2020	BUDGET 2021	21 BUDGET VS. 20 PROJ. \$ CHANGE	% CHANGE
PRODUCTION PLANT	\$13,747	\$39,995	\$59,394	\$83,085	(\$23,691)	\$192,539	\$133,145	224.2
TRANSMISSION AND DISTRIBUTION PLANT	\$85,804	\$137,774	\$115,720	\$85,174	\$30,546	\$143,990	\$28,270	24.4
GENERAL PLANT	\$28,093	\$26,424	\$22,429	\$61,165	(\$38,736)	\$32,012	\$9,583	42.7
REMOVAL AND SALVAGE	\$235	\$2,108	\$1,200	\$575	\$625	\$1,458	\$258	21.5
<b>TOTAL</b>	<b>\$127,879</b>	<b>\$206,301</b>	<b>\$198,743</b>	<b>\$230,000</b>	<b>(\$31,257)</b>	<b>\$370,000</b>	<b>\$171,257</b>	<b>86.2</b>

## Capital Expenditures (\$ in Millions)



**2021 CAPITAL EXPENDITURES**  
**SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS**  
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2014-2019 Expenditures	2020 Projection	2021 Budget	2014-2021 Project Expenditures
<b>Power with Purpose</b> Infrastructure expansion for Board Resolution No. 6351 approved on November 14, 2019.	\$0	\$20,176	\$172,539	\$192,715
<b>Circuit and Substation Upgrades</b> Upgrade and replace multiple circuits and substations to meet customer needs.	\$0	\$42	\$17,483	\$17,525
<b>Fiber Network Expansion Project</b> Expand OPPD Fiber optics connectivity to replace the current analog communications services.	\$18,834	\$16,444	\$10,519	\$45,797
<b>Transmission Distribution Improvement Program-Cable Replacement</b> Replace the worst performing underground distribution cable on a performance driven basis.	\$13,682	\$9,139	\$8,172	\$30,993
<b>Installation of an Autotransformer at a Substation</b> Expansion to accommodate residential growth by installing a new auto transformer at a substation.	\$0	\$636	\$7,530	\$8,166
<b>Customer Service Commercial and Industrial Project</b> Purchase and install underground or overhead infrastructure for new commercial and industrial customers.	\$48,046	\$9,162	\$7,004	\$64,212
<b>Customer Service Residential Project</b> Purchase and install underground or overhead infrastructure for new residential developments.	\$40,324	\$9,965	\$6,950	\$57,239
<b>13kv Line and Substation Transformers</b> Overhead and surface mount transformers on the distribution system required due to failure or system expansion.	\$36,129	\$7,519	\$6,086	\$49,734

**2021 CAPITAL EXPENDITURES**  
**SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS**  
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2014-2019 Expenditures	2020 Projection	2021 Budget	2014-2021 Project Expenditures
<b>Nebraska City Station Unit 1 Low Pressure Rotor Replacement</b> Replace the low pressure rotors with materials not susceptible to stress corrosion cracking.	\$1,952	\$2,546	\$5,699	\$10,197
<b>Transmission and Distribution Street &amp; Highway Project</b> Relocation of OPPD transmission and distribution facilities that are located in public road right-of-way.	\$41,801	\$10,903	\$5,464	\$58,168
<b>Cass County Turbine Hot Gas Path Refurbishment</b> Required maintenance for turbine reliability.	\$0	\$0	\$5,269	\$5,269
<b>Nebraska City Common Levee Certification</b> Determine what physical improvements, operational requirements and maintenance activities are needed for the levee to be accredited and accepted by FEMA as providing 100 year flood protection and regain active status with the USACE PL84-99 Rehabilitation Program.	\$0	\$1,212	\$4,392	\$5,604
<b>Upgrade Customer Information System</b> Information Technology upgrade to the enterprise customer information software that is used for customer service billing and account management.	\$0	\$1,679	\$4,386	\$6,065



**2021 CAPITAL EXPENDITURES**  
**SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS**  
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2014-2019 Expenditures	2020 Projection	2021 Budget	2014-2021 Project Expenditures
<b>Substation Circuit Upgrade</b> Upgrade of two circuits required to maintain reliability due to increased load.	\$66	\$15	\$4,244	\$4,325
<b>Backup Autotransformer Purchase Project</b> Procure a backup autotransformer, which will be available to serve if one of the three autotransformers in service fail.	\$558	\$102	\$4,107	\$4,767
<b>New Distribution Transformer and Circuit Install</b> Procure and install a distribution transformer and circuit to meet load requirements of new customer.	\$0	\$385	\$3,850	\$4,235
<b>Medium/Heavy Truck Replacement</b> Routine replacement of medium and heavy duty trucks.	\$16,012	\$1,884	\$3,757	\$21,653
<b>Transmission Distribution Improvement Program-Distribution Poles</b> Replace distribution poles in conjunction with the ongoing Transmission and Distribution System Improvement Projects.	\$10,388	\$4,630	\$3,700	\$18,718
<b>Ground Line Inspection and Treatment Pole Replacement</b> Replace degraded wood poles and structures used for transmission and distribution.	\$1,487	\$2,151	\$3,379	\$7,017

**2021 CAPITAL EXPENDITURES**  
**SIGNIFICANT PROJECT DESCRIPTIONS AND HIGHLIGHTS**  
(Dollars in Thousands)

RECOMMENDED PROJECTS:	2014-2019 Expenditures	2020 Projection	2021 Budget	2014-2021 Project Expenditures
<b>Light Emitting Diode (LED) Streetlight Conversion</b> The conversion of streetlights to a LED standard.	\$6,244	\$5,039	\$3,250	\$14,533
<b>Modernize the Contact Center and Customer Interaction Technologies</b> Modernize the customer service contact systems.	\$0	\$56	\$2,966	\$3,022
<b>Battery Energy Storage System</b> Obtain and test utility-grade battery storage to determine how it will integrate with the District's power grid.	\$0	\$47	\$2,843	\$2,890
<b>Nebraska City Station Unit 1 Waterbox Retube</b> Replace aging turbine condensation tubes with materials not susceptible to corrosion.	\$0	\$1,054	\$2,643	\$3,697
<b>Transmission Distribution Improvement Program-Conductors</b> Replace junk conductors on a performance driven basis.	\$2,376	\$3,684	\$2,419	\$8,479



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December 9, 2020

Board of Directors  
Omaha Public Power District  
444 South 16th Street Mall  
Omaha, Nebraska 68102

Subject: **Review of Omaha Public Power District, 2021 Corporate Operating Plan**

Dear Members of the Board:

As requested by the Board of Directors and Management of the Omaha Public Power District (the District), **NewGen Strategies and Solutions, LLC (NewGen)** has reviewed the 2021 Corporate Operating Plan prepared by the District, and is providing this letter report to comply with this request. The purpose of this review was to provide an independent, high-level assessment of the District's operating and financial projections for 2021.

In performing our review, we evaluated the 2021 Corporate Operating Plan for consistency with prudent utility practices, and the reasonableness of the budget estimates established. Our review was based on input received from the District's staff, and comparisons to actual data for the period 2006 through 2019 and the ten months actual/two months projected data for the year 2020. We also reviewed the major assumptions used in developing the 2021 Corporate Operating Plan.

The District's planning process includes various components, the results of which were incorporated into the development of the 2021 Corporate Operating Plan. NewGen reviewed each of the following forecasts, plans, and budgets at a summary level, in support of our overall review of the 2021 Corporate Operating Plan:

**Load Forecast** - The District's load forecast provides a projection of the District's customer loads, system peak demand and energy requirements, which serves as a basis for establishing the estimated revenues the District will receive from the sale of such customer loads and the associated power supply expense the District will incur in supplying such load, system peak demand and energy requirements. The load forecast also serves as a basis for the planning of future power supply resources needed by the District. The forecast of general energy sales and peak demand for 2021 was compared to the actual trend of the last several years.

**Revenue Forecast** - The revenue forecast provides a projection of the estimated revenues to be received by the District for 2021. The estimated revenues are developed by applying anticipated base retail service rates, to forecasted energy sales by rate classification with no assumed increase in electric rates and including the Fuel and Purchase Power Adjustment. In our review of the estimated general business revenues we compared the estimated revenues for 2021 with the actual/projected revenue for 2020.

Projected average retail revenues, on per kilowatt-hour basis, for residential sales and for total projected general business sales were compared to prior year averages and to national industry projections.

**Integrated Resource Plan** - The integrated resource plan is prepared as part of the District's contractual commitment to the Western Area Power Administration and provides the optimum resource expansion plan to meet the District's forecasted demand and energy requirements. The integrated resource plan incorporates least-cost planning methodology that utilizes the operating costs of the existing system in combination with projected cost for new supply-side and demand-side resource options. The resulting balance of loads and resources schedule from the current integrated resource plan was compared with the corresponding schedule from the prior year's integrated resource plan.

**Generation Plan** - The generation plan provides the basis for projecting fuel and other production expenses. The generation plan is based on a comparison of the forecasted net system energy requirements and the expected capability of the District's electric generating facilities to produce those requirements. This is accomplished by using PROMOD which is a well-accepted industry software program which economically dispatches the estimated generation of each of the District's resources used to meet the system energy requirements. The generation plan was reviewed against the balance of loads and resources projections from the integrated resource plan. The generation plan was also compared to actual/projected generation levels for 2020 and prior years and planned maintenance outages scheduled for the District's generating units for 2021.

**Fuel Plan** - The fuel plan provides the projections of the costs of acquiring, coal fuel, natural gas, and oil. The amount and the estimated fuel expenses related to all fuels used for generation by type are based on the generation plan, and fuel contracts. The projected fossil fuel inventory levels, per-unit fuel acquisition costs, and per-unit expenses associated with the fuel projected to be consumed for 2021 were compared to actual/projected levels for 2020 and prior years.

**Operation and Maintenance Expense Budget**- The operation and maintenance expense budget provides estimates of non-fuel operation and maintenance expenses related to the power supply, transmission and distribution, customer service, and administration functions. The operation and maintenance expense budget is compiled based on the District's staffing plan and responsibility area budget. The estimates for operation and maintenance expenses for 2021, by functional areas and in total, were compared on an average cost per kilowatt-hour basis to the actual/projected levels for 2020 and prior years.

**2021 Capital Expenditure Plan** - The Capital Expenditure Plan provides for estimates of planned expenditures, including related overheads, for replacements, improvements and additions to production plant, additional power supply, transmission and distribution plant, and general plant facilities and equipment, as required to keep providing reliable and economical power supply and delivery to the District's customers. The capital expenditures planned for 2021 were compared by major category, as well as in total, to corresponding capital expenditures for 2020 and prior years. NewGen's review of the 2021 Capital Expenditure Plan was made without a detailed analysis of the design criteria used in preparing the budget cost estimate for each individual project.

**Fort Calhoun Decommissioning** - The District's Board of Directors approved Management's recommendation that the District cease generation of electricity at the Fort Calhoun Station (FCS) by the end of 2016. On October 24<sup>th</sup> FCS ceased operations and decommissioning began in November 2016. The District's management concluded that continuing to operate FCS would result in costs in excess of obtaining power from other sources and is expecting to avoid the need for future general rate increases

through 2021. The FCS site has transitioned from a long-term SAFSTOR decommissioning strategy to an accelerated DECON method. The Schedules call for the site to be substantially dismantled by 2025.

NewGen, in its review, found that the process followed by the District in developing the 2021 Corporate Operating Plan appears to be well organized. The 2021 Corporate Plan represents a compilation of the individual operating and capital expenditures budgets of the various responsibility areas throughout the District. It is our understanding that the 2021 Corporate Operating Plan has been reviewed and approved by the District's senior management.

It is NewGen's opinion that the major assumptions upon which the 2021 Corporate Operating Plan is based are reasonable and provide an indication of the District's requirements for 2021. The expenditures anticipated by the District are reasonable and are the type that would be expected by a utility following prudent utility practices.

It is also NewGen's opinion that:

The methods used to forecast future customer loads and system peak demand and energy requirements reflect acceptable and defensible methods currently being used in the electric utility industry and the resulting load forecast developed by the District's staff appears reasonable. The District's load forecast appears reasonable when compared with national and regional load forecasts, given the anticipated growth in industrial loads.

The revenue forecast prepared by the District fairly represents the revenue that can be expected in 2021 given the load forecast and current rate levels without any assumed electric rate increase and the Fuel and Purchase Power Adjustment. The District's average retail rates are expected to remain below the national averages during 2021.

The methods utilized by the District in developing the integrated resource plan is based on sound planning practices and strategies, and reflect reasonable assumptions considering the changing electric utility industry.

The generation plan prepared by the District is consistent with other assumptions made in the 2021 Corporate Operating Plan. The effective management and scheduling of maintenance outages by the District provides for efficient utilization of its generating resources, and allows the District to facilitate its off-system sales when other utilities have their units down for scheduled maintenance.

The fuel plan budgeting process reflects acceptable methods currently being used in the electric utility industry and the resulting expenditures for fossil fuels appear to be reasonable and necessary for the ongoing operation of the District's generating resources. The projected inventories of fossil fuels are reasonable given the requirements of the District and general industry practices. The effective acquisition and use of fossil fuels has allowed the District to maintain relatively low fuel costs and be comparable with other regional utilities.

The operation and maintenance expense budget for 2021 appears reasonable compared to the current and recent expenses by functional areas and in total.

The planned replacements, improvements and additions for 2021 which are reflected in the 2021 Capital Expenditure Plan will be advantageous to the District's electric system and its customers in maintaining reliable electric service.

It is NewGen's opinion that the assumptions upon which the District's management arrived at for the recommendation to decommission FCS are not unreasonable. NewGen's review of the decommissioning of FCS was made without a detailed analysis.

The projected financial results reflected in the 2021 Corporate Operating Plan provide for the accomplishment of the District's minimum performance objectives for debt service coverage, fixed charge ratio and debt/equity ratio.

The District is continuing to develop and implement strategies to optimize efficiency of operations, minimize costs and enhance customer value.

Based on our review, NewGen recommends that the District's prepared 2021 Corporate Operating Plan be approved. It is our opinion that the 2021 Corporate Operating Plan is a valuable tool to assist the Board of Directors and management in the efficient operation of the District. By combining the individual operating and capital expenditures budgets of the various responsibility areas throughout the District into a single planning document assures that a consistent approach is being taken in managing all areas of the utility. The 2021 Corporate Operating Plan recognizes the interrelationships between the various responsibility areas throughout the District and displays the need to approach planning on a system-wide basis.

In preparation of this letter report NewGen used the information provided to us by the District and others to make certain assumptions with respect to conditions which may occur in the future. While we believe these assumptions are reasonable for the purpose of this review of the operating results contained in the 2021 Corporate Operating Plan of the District, the assumptions are dependent upon future events, and, therefore, actual conditions may differ from those assumed. While we believe the sources we relied upon in our review to be reliable, we have not independently verified the information and offer no assurances with respect thereto. In particular, it is not clear how the Covid-19 pandemic might affect the District's operations in 2021. To the extent that actual conditions differ from those assumed by us from information provided to us by the District or others, the actual results will vary from those projected.

We appreciate the opportunity to serve the District. If you should have any questions concerning this review, we would be glad to discuss them with you at your convenience.

Sincerely,

**NewGen Strategies and Solutions, LLC**



Gordon L Vanek

Senior Consultant

November 6<sup>th</sup>, 2020

Board of Directors  
Omaha Public Power District  
444 South 16th Street Mall  
Omaha, Nebraska 68102-2247

Ladies and Gentlemen:

## I. Background

The Omaha Public Power District collects the annual revenues required to cover the variable costs associated with power production and acquisition through its Fuel and Purchase Power Adjustment (FPPA) Base Rate ("Base Rate") and the FPPA Factor. The Base Rate aims to recover the actual fuel and purchased power costs associated with serving retail customers. The FPPA Factor adjusts the Base Rate to include the under (or over) recovered balance from prior years so that ultimately, customers pay the actual cost of fuel and purchased power. OPPD is proposing a resetting of its Base Rate to a historical value but leaving its FPPA Factor unchanged.

Consistent with its policy of aligning rates with costs, the Base Rate's proposed decrease varies among customer classes.

## II. Discussion

### 1. Base Rate and FPPA Factor Changes

As the District continues to change its resource mix by reducing the proportion of baseload generation assets and increasing intermittent resource assets, it is experiencing higher price volatility, especially related to the real-time versus day-ahead purchase volumes in the SPP Integrated Marketplace. While price volatility has increased, the District expects lower 2021 fuel and purchased power expenses than in prior years.

The proposed rate change to the District's primary customer classes is summarized below. As in past years, the differences among customer classes reflect the District's cost of service allocations to each class for their portion of the Base Rate. The table below presents the proposed changes.

ONE BEACON STREET, SUITE 2600, BOSTON, MA 02108

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NORTH AMERICA EUROPE ASIA-PACIFIC

Implied Fuel and Purchase Power Impacts by Rate Class							Change in Revenue
Customer Class	Base Rate	FPPA Factor	Base Rate + Factor	Reset Base Rate	New FPPA Factor	Reset Base Rate + New Factor	Do To Base Rate Reset
Rate/Factor, \$/kWh	0.02412	(0.00131)	0.02281	0.02095	0.00186	0.02281	\$ -
Residential	\$ 89,428,783.97	\$ (4,857,035.95)	\$ 84,571,748.03	\$ 77,675,498.52	\$ 6,896,249.51	\$ 84,571,748.03	\$ -
Commercial	\$ 83,942,063.24	\$ (4,559,042.41)	\$ 79,383,020.83	\$ 72,909,876.65	\$ 6,473,144.18	\$ 79,383,020.83	\$ -
Industrial	\$ 74,371,656.52	\$ (4,039,256.64)	\$ 70,332,399.89	\$ 64,597,272.15	\$ 5,735,127.74	\$ 70,332,399.89	\$ -
Lighting	\$ 1,529,627.72	\$ (83,076.80)	\$ 1,446,550.92	\$ 1,328,594.55	\$ 117,956.37	\$ 1,446,550.92	\$ -
Wholesale Towns	\$ 1,166,470.53	\$ (63,353.08)	\$ 1,103,117.44	\$ 1,013,165.74	\$ 89,951.71	\$ 1,103,117.44	\$ -
Total	\$ 250,438,601.98	\$ (13,601,764.87)	\$ 236,836,837.11	\$ 217,524,407.61	\$ 19,312,429.51	\$ 236,836,837.11	\$ -

Note: The District's cost of service study supports the proposed rates.

For 2021, the District has made considerable adjustments to its forecasting methodology to better project both the budgeted fuel and purchased power costs as well as off-system sales. These adjustments have kept costs variances lower, leading to a more accurate 2020 projection. The 2020 projection accuracy allows the District to feel confident in resetting its Base Rate to a historical value.

## 2. Retaining the Current Fuel and Purchase Power Adjustment (FPPA) Factor by Resetting the Base Rate

It is reasonable and in conformance with general industry practice to reset the base energy charge (Base Rate) and leave the FPPA Factor unchanged as has been proposed. The Board's decision to freeze rates specifically exempted variations in energy costs through the FPPA Factor mechanism. The resetting merely relabels revenues that the rate freeze permits collecting. The reset Base Rate produces no difference in the revenues collected from customers for variable costs than if the Base Rate were not reset. The Board explicitly excluded the FPPA Factor from accounting for unanticipated cost increases when it committed to not increasing general rates.

The costs included in the FPPA Factor mirror those in the Base Rate. No cost categories that would not be included in the Base Rate arises in the FPPA Factor calculation. If the costs were not so reflected, it would violate a general principle of consistency required for formula rates.

### III. Findings

We have reviewed the District's proposed rate changes. We find the proposed rate changes to be fair, reasonable, and non-discriminatory.

### IV. Recommendation

We recommend Board adoption of the District's proposed rate revisions.



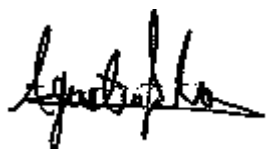
November 6, 2020

Page 3

Respectfully yours,

A handwritten signature in black ink, appearing to read "Philip Q. Hanser", with a long horizontal line extending to the right.

Philip Q Hanser  
The Brattle Group  
Principal Emeritus

A handwritten signature in black ink, appearing to read "Agustin Ros", with a long horizontal line extending to the right.

Agustin Ros  
The Brattle Group  
Principal

RIDER SCHEDULE NO. 461

Fuel and Purchased Power Adjustment

APPLICABILITY

This Rider Schedule is applicable to all Customers throughout OPPD's Service Area that take electrical service under OPPD's Rate Schedule Nos. 110, 115, 119, 226, 230, 231, 232, 236, 240, 245, 250, 261, 350, 351, or 357.

This Schedule applies an adjustment per kilowatt-hour to all retail and municipal service energy sales to reflect changes in fuel and purchased power expenses that are above, or below, the Fuel and Purchased Power Base Rate.

BILLING COMPONENTS

FPPA Charge:

The Customer's monthly bill will reflect a Fuel and Purchased Power Adjustment (FPPA) applied to the monthly kilowatt-hour usage.

FPPA Annual Calculation

The FPPA is calculated as follows:  $FPPA = ((B - O) / S) - F$  Where:

B = Annual budgeted fuel, purchased power, and consumables costs

O = Over/Under Balance

S = Annual budgeted sales to OPPD's retail and municipal service Customers

F = Fuel and Purchased Power Base Rate

OPPD will adjust the FPPA annually on January 1<sup>st</sup> of each year and will calculate the FPPA before that date. To facilitate that calculation, OPPD will establish its fuel and purchased power budget for the year in advance of January 1<sup>st</sup> of that year. The Over/Under Balance to be included in the FPPA will be the amount approximately three (3) months before January 1 of the upcoming year, plus the projected amounts for the remainder of the calendar year. The amount will be transferred from the Over/Under Balance to the FPPA. Accordingly, the Over/Under Balance will be adjusted by the amount to be included in the FPPA.

ADMINISTRATIVE

Definitions

*Consumables:* Materials that are used or depleted as part of the generating process and vary with each kilowatt-hour produced.

*Fuel and Purchased Power Base Rate:* The portion of the energy charge component of applicable OPPD Rate Schedules that recovers OPPD fuel, purchased power and related Consumables costs. For all applicable Rate Schedules, the Fuel and Purchased Power Base Rate is ~~2.412~~ **2.095** cents per kilowatt-hour.

Effective ~~06/11/2020~~ 01/01/2021

Resolution No.

*Over/Under Balance:* For any given period, the Over/Under Balance is the difference between:

The actual fuel and purchased power expenses, and  
The actual fuel and purchased power revenue generated by the Fuel and Purchased Power Base Rate plus the FPPA in effect during the period.

Special Conditions

OPPD reserves the right to modify the FPPA at any time, with approval of the Board of Directors.

Service Regulations

Customers under this Rider Schedule must comply with all OPPD Service Regulations.

## RATE SCHEDULE NO. 350

### Municipal Service Street Lighting

#### APPLICABILITY

This Rate Schedule is applicable to the State of Nebraska, and all Counties, Cities, Villages and Sanitary Improvement District's throughout OPPD's Service Area. The single-phase alternating current Electric Service will be supplied at OPPD's standard voltages for the operation of street lighting systems for public highways, streets, and thoroughfares.

Units of street lighting not priced in Parts 1 or 2 will be priced explicitly in the street lighting contract.

Each Customer shall enter into a contract with OPPD for street lighting service. Such a contract shall be for a period of one year, or longer, at OPPD's option, and shall include a reference to this street lighting Schedule and the Service Regulations of OPPD.

OPPD, at its discretion, may replace decorative units with like decorative units if the original decorative unit is no longer available or is not available at a reasonable cost.

#### BILLING COMPONENTS

Billing Procedure: Annual rates will be billed in 12 equal monthly installments.

#### Late Payment Charge:

A Late Payment Charge in the amount of 4% of the Billing Components and applicable taxes will be assessed if the current month's bill payment is not received by OPPD on or before the due date.

Rider Schedule No. 461 – Fuel and Purchased Power Adjustment applies to this Rate Schedule. The adjustment will be applied to the monthly energy usage for each lighting method based on the relevant light source and lamp size for such method.

Municipal Service Street Lighting:

Part 1 - OPPD Owned and Maintained System

Category No. 1: Standard Utility Style Lighting Methods Annual Rate: H.P. Sodium Light Source

Overhead Wiring: OPPD-Owned Pole

<u>Method</u>	Approx. Mounting Height (feet)	Lamp Size (watts)	<u>Wood Pole</u>		<u>Metal Pole</u>	
			<u>Single Lamp</u>	<u>Twin Lamps</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
61*	25	100	\$164.37	\$207.06	\$197.89	\$240.58
65	40	400	\$296.98	N/A	\$357.25	N/A
66*	30	200	\$196.68	\$247.11	\$255.96	\$316.07
67*	40	200	\$232.18	N/A	\$292.45	N/A
68	30	400	\$267.89	N/A	\$336.85	N/A

\*Restricted

Underground Wiring: OPPD-Owned Pole

<u>Method</u>	Approx. Mounting Height (feet)	Lamp Size (watts)	<u>Wood Pole</u>		<u>Metal Pole</u>	
			<u>Single Lamp</u>	<u>Twin Lamps</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
61*	25	100	\$164.37	\$207.06	\$207.4	\$250.09
65	40	400	\$320.52	N/A	\$373.45	\$418.36
66*	30	200	\$224.16	\$268.18	\$270.60	\$328.55
67*	40	200	\$255.72	\$299.75	\$308.65	\$352.67
68	30	400	N/A	N/A	\$349.33	\$394.24

\*Restricted

Underground Wiring: Customer-Owned Pole

<u>Method</u>	Approx. Mounting Height (feet)	Lamp Size (watts)	<u>Single Lamp</u>	<u>Twin Lamps</u>
61*	25	100	\$131.54	N/A
65	40	400	\$241.89	\$286.80
66*	30	200	\$166.71	\$210.73
67*	40	200	\$177.09	\$221.11
68	30	400	\$231.51	N/A

\*Restricted

Category No. 2: Standard Decorative Lighting Methods Annual Rate

Underground Wiring: OPPD-Owned Pole

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
51	30	200	H.P. Sodium	\$402.21	\$463.12
52	25	100	H.P. Sodium	\$361.83	\$414.65
53	30	400	H.P. Sodium	\$471.41	N/A
57	30	400	Metal Halide	\$501.30	N/A
58	40	400	H.P. Sodium	\$486.42	N/A
59	40	400	Metal Halide	\$516.32	\$606.75

Underground Wiring: Customer-Owned Pole

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
51	30	200	H.P. Sodium	\$197.57	N/A
52	25	100	H.P. Sodium	\$157.19	N/A
53	30	400	H.P. Sodium	\$266.77	N/A
57	30	400	Metal Halide	\$296.66	N/A
58	40	400	H.P. Sodium	\$277.15	N/A
59	40	400	Metal Halide	\$307.04	\$397.47

Category No. 3: Restricted Lighting Methods Annual Rate

Overhead Wiring: OPPD-Owned Pole

Method	Approx. Mounting Height (feet)	Lamp Size (watts)	Light Source	Wood Pole	Metal Pole	
				Single Lamp	Single Lamp	Twin Lamps
14	30	400	Mercury Vapor	\$226.90	\$275.77	\$305.79
15	25	175	Mercury Vapor	\$152.77	\$186.29	N/A
16	25	100	Mercury Vapor	\$126.80	\$160.32	N/A
17	25	250	Mercury Vapor	\$175.93	\$209.45	N/A
44	40	400	Mercury Vapor	\$255.99	\$316.26	N/A
48	40	700	Mercury Vapor	\$353.83	N/A	N/A
49	40	1,000	Mercury Vapor	\$449.16	\$509.43	N/A
63	30	250	H.P. Sodium	\$190.66	\$259.62	N/A

Underground Wiring: OPPD-Owned Pole

Method	Approx. Mounting Height (feet)	Lamp Size (watts)	Light Source	Wood Pole	Metal Pole	
				Single Lamp	Single Lamp	Twin Lamps
14	30	400	Mercury Vapor	\$247.97	\$288.25	\$318.28
15	25	175	Mercury Vapor	\$170.87	\$195.80	\$228.98
16	25	100	Mercury Vapor	N/A	\$169.83	N/A
17	25	250	Mercury Vapor	\$194.03	\$218.96	\$252.75
44	40	400	Mercury Vapor	N/A	\$332.46	N/A
49	40	1,000	Mercury Vapor	N/A	\$483.60	N/A
62	30	400	H.P. Sodium	N/A	N/A	\$548.51
63	30	250	H.P. Sodium	\$211.73	\$272.11	N/A
64	40	250	H.P. Sodium	N/A	\$296.22	N/A

Underground Wiring: Customer-Owned Pole

Method	Approx. Mounting Height (feet)	Lamp Size (watts)	Light Source	Single Lamp	Twin Lamps
14	30	400	Mercury Vapor	\$190.52	N/A
15	25	175	Mercury Vapor	\$119.94	N/A
16	25	100	Mercury Vapor	N/A	N/A
17	25	250	Mercury Vapor	\$143.10	N/A
44	40	400	Mercury Vapor	N/A	N/A
49	40	1,000	Mercury Vapor	N/A	N/A
62	30	400	H.P. Sodium	N/A	\$430.69
63	30	250	H.P. Sodium	\$154.28	N/A
64	40	250	H.P. Sodium	\$164.66	N/A

Category No: 4 Optional Decorative Lighting Methods Annual Rate

Decorative Method without Base: OPPD-Owned Pole

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Fixture</u>	<u>Single Lamp</u>
90*	16	70	H.P. Sodium	Acorn	\$228.75
91*	16	70	H.P. Sodium	Globe	\$232.11
93*	20	100	H.P. Sodium	Lantern	\$228.10
94	16	70	H.P. Sodium	Acorn	\$190.86
96	20	100	H.P. Sodium	Top Hat	\$207.40
97	20	100	H.P. Sodium	Lantern	\$207.40

\*Restricted

Decorative Method without Base: OPPD-Owned Pole

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Fixture</u>	<u>Single Lamp</u>
90*	16	70	H.P. Sodium	Acorn	\$71.07

\*Restricted

Decorative Method Base and Ring: OPPD-Owned Pole

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Fixture</u>	<u>Single Lamp</u>
09	14	66	LED	Bounce	\$195.60
12	12	70	H.P. Sodium	Acorn	\$190.86
90*	16	70	H.P. Sodium	Acorn	\$263.75
91*	16	70	H.P. Sodium	Globe	\$267.11
92*	20	100	H.P. Sodium	Top Hat	\$208.32
94	16	70	H.P. Sodium	Acorn	\$190.86
95	16	70	H.P. Sodium	Globe	\$199.92
96	20	100	H.P. Sodium	Top Hat	\$207.40
97	20	100	H.P. Sodium	Lantern	\$207.40
98	14	150	Metal Halide	Bounce	\$197.75
99	12	150	Metal Halide	Bounce	\$201.33

\*Restricted



**Overhead Wiring: OPPD-Owned Pole**

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Wood Pole</u>		<u>Metal Pole</u>	
			<u>Single Lamp</u>	<u>Twin Lamps</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
61L	25	54	\$99.61	\$126.40	\$136.30	\$163.09
66L	30	108	\$121.34	\$152.65	\$180.59	\$211.91
67L	40	108	\$129.57	N/A	\$183.83	N/A

**Underground Wiring: OPPD-Owned Pole**

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Wood Pole</u>		<u>Metal Pole</u>	
			<u>Single Lamp</u>	<u>Twin Lamps</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
51L	30	89	N/A	N/A	\$295.08	\$414.36
53L	30	89	N/A	N/A	\$354.48	N/A
58L	40	232	N/A	N/A	\$350.88	N/A
61L	25	54	\$99.61	\$126.40	\$160.68	\$188.44
66L	30	108	\$149.28	\$180.59	\$208.54	\$239.85
67L	40	108	\$154.73	\$186.04	\$208.99	\$240.30

**Underground Wiring: Customer-Owned Pole**

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Single Lamp</u>	<u>Twin Lamps</u>
51L	30	89	\$180.48	N/A
53L	30	89	\$239.76	N/A
58L	40	232	\$240.84	N/A
61L	25	54	\$98.85	N/A
66L	30	108	\$119.41	\$150.72
67L	40	108	\$120.47	\$151.78

**Category No. 5: LED Lighting Methods Annual Rate with Additional Agreements Required**

**Overhead Wiring: OPPD-Owned Pole**

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Wood Pole</u>	<u>Metal Pole</u>
28	25	100	\$79.23	\$125.59
29	30	100	\$85.76	N/A
30	30	200	\$99.44	N/A
31	40	200	\$121.87	N/A

**Underground Wiring: OPPD-Owned Pole**

<u>Method</u>	<u>Approx. Mounting Height (feet)</u>	<u>Lamp Size (watts)</u>	<u>Wood Pole</u>	<u>Metal Pole</u>
26	16	86	N/A	\$90.24
28	25	100	\$86.15	\$132.51
30	30	200	N/A	\$188.16
31	40	200	N/A	\$201.90

Part 2 – Customer-Owned System Operated by OPPD Annual Method

<u>Method</u>	<u>Lamp Size (watts)</u>	<u>Light Source</u>	<u>Dusk to Dawn</u>
20	100	Mercury Vapor	\$58.87
22	250	Mercury Vapor	\$104.67
23	400	Mercury Vapor	\$152.44
24	700	Mercury Vapor	\$243.88
25	1,000	Mercury Vapor	\$332.73
27	150	Incandescent	\$64.32
40	54	LED	\$38.34
41	86	LED	\$67.56
42	48	LED	\$35.28
43	168	LED	\$57.00
71	100	H.P. Sodium	\$63.69
72	150	H.P. Sodium	\$80.54
73	250	H.P. Sodium	\$109.49
74	400	H.P. Sodium	\$158.45
76	200	H.P. Sodium	\$94.54
76L	118	LED	\$51.72
76LE	79	LED	\$49.30
77	50	H.P. Sodium	\$41.26
78	70	H.P. Sodium	\$47.28
79	1,000	H.P. Sodium	\$340.51
80	100	Metal Halide	\$57.22
81	175	Metal Halide	\$80.85
82	250	Metal Halide	\$105.12
83	400	Metal Halide	\$147.30
87	50	Metal Halide	\$38.40

OPPD has the option of furnishing maintenance service to Part 2 streetlights on a reimbursable basis. The terms and conditions of such service will be set forth in individual contracts.

## ADMINISTRATIVE

### Definitions

*Method:* Identifies the specific combination of features (light source, mounting height, lamp size, and the number of lamps) that comprise an individual streetlight.

*Customer-Owned Poles and Fixtures:* Poles and fixtures, provided by the Customer, to which OPPD adds OPPD-owned streetlight equipment and separate service wiring.

*Units:* One or more components, including fixture, lamp, photocell, and pole, that comprise a street light.

### Special Conditions

Resolution No. 5733 states OPPD's Management has been authorized to add, delete, or restrict lighting rates in Rate Schedule No. 236 – Dusk to Dawn Lighting and Rate Schedule No. 350 –

Municipal Service Street Lighting at any time, provided that any changes will be:

- . Based on generally accepted cost-of-service ratemaking principles,
- . Reviewed by the Board of Directors' rate consultant, and
- . Approved by the Board of Directors during the next meeting at which the Board considers any rate action.

### Service Regulations

Customers under this Rate Schedule must comply with all OPPD Service Regulations.



Bogner/Fernandez

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, the Board of Directors has reviewed the Omaha Public Power District's 2021 Corporate Operating Plan which includes projected revenues and expenses for the District's operations in 2021, all phases of the District's 2021 Capital Expenditure Plan, and the District's fuel needs and expenditures for 2021; and

**WHEREAS**, the 2021 Corporate Operating Plan expenditures total \$1,443.1 million; and

**WHEREAS**, the 2021 Corporate Operating Plan includes a revision to the Base Rate for the District's Fuel and Purchased Power Adjustment (FPPA) rate rider; and

**WHEREAS**, the District's retail customers will see no overall rate impact as a result of the FPPA Base Rate change from 2.412 cents per kWh to 2.095 cents per kWh while retaining the current FPPA Factor of 0.186 cents per kWh; and

**WHEREAS**, the District analyzed the updated hydroelectric contract rates with the Western Area Power Administration for Offutt Air Force Base and has revised the energy, capacity and other charges for 2021; and

**WHEREAS**, the proposed new LED streetlight methods and rates have been added to revised Rate Schedule No. 350 Municipal Service Street Lighting; and

**WHEREAS**, the District's consulting engineer, NewGen Strategies & Solutions, has reviewed the 2021 Corporate Operating Plan as requested by the Board of Directors, and recommends it for approval by the Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Omaha Public Power District that the 2021 Corporate Operating Plan for the Omaha Public Power District is hereby approved.



# Board Action

## BOARD OF DIRECTORS

December 8, 2020

### ITEM

Declaration of Anticipated 2021 Capital Expenditures Reimbursement

### PURPOSE

In accordance with federal tax regulations concerning financing proceeds, the adoption of this resolution maintains the option for the District to issue tax-exempt debt obligations to reimburse 2021 capital expenditures and maximize the investment of the proceeds.

### FACTS


- a. Since 1979, the District has utilized a financing plan that includes the reimbursement of Corporate Operating Plan expenditures from the proceeds of tax-exempt debt obligations. Such reimbursement financing has been determined to be the most cost-effective and efficient means of avoiding arbitrage rebate restrictions on the investment of the proceeds.
- b. The 2021 Corporate Operating Plan includes District expenditures of approximately \$370 million for capital improvements. The District may issue tax-exempt debt obligations in the future to reimburse a portion of these expenditures. The timing of the debt issuance could change depending upon market conditions.


### ACTION

Provide Board of Director Declaration to reimburse 2021 capital expenditures with tax exempt bond proceeds.

RECOMMENDED:

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
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 L. Javier Fernandez  
 Vice President and Chief Financial Officer

DocuSigned by:  
  
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 Timothy J. Burke  
 President and Chief Executive Officer

LJF:jap

Attachment: Resolution



Bogner/Fernandez

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, the Omaha Public Power District (the "District"), is a public corporation and political subdivision of the State of Nebraska with authority under the laws of the State of Nebraska to issue tax-exempt bonds and other debt instruments; and

**WHEREAS**, the District annually engages in making expenditures in furtherance of a Corporate Operating Plan, including a Capital Improvement Program, related to the ownership and operation of its fully integrated system (the "Expenditures"); and

**WHEREAS**, the District has, since 1979, undertaken a financing plan that includes the reimbursement to the District of Expenditures from the proceeds of its debt, such reimbursements having been determined by the District to be the most cost-effective and efficient means of investing debt proceeds; and

**WHEREAS**, the District's 2021 Corporate Operating Plan indicates expected Expenditures for calendar year 2021 totaling approximately \$370 million (the "2021 Expenditures"); and

**WHEREAS**, the District wishes to affirm its intention to issue, subject to market conditions and the financial needs of the District, its debt instruments pursuant to a financing plan with respect to the 2021 Expenditures and to reimburse the District for 2021 Expenditures incurred and to be incurred.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that the Board hereby affirms that the 2021 Expenditures incurred by the District will be reimbursed to the District from the proceeds of tax-exempt debt of the District, but only if the issuance of such debt is deemed to be desirable by the District. The adoption of this resolution is and constitutes the taking of affirmative action by the District, acting through its Board of Directors, to preserve the right and option of the District to issue tax-exempt debt to reimburse 2021 Expenditures which are incurred prior to the issuance of the District's debt.